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FBIS-EEU-94-088 *6 May 1994*

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Austrian Police Arrest 'Yugomafia' Leaders

94BA0257B Trieste REPUBLIKA in Slovene 14 Apr 94 p 4

[Article by Igor Schellander: "Blow to the 'Yugomafia'"]

[Text] *Splendid success by the Austrian police; 35 individuals and the leadership of an organization headquartered in Belgrade arrested; further proceedings under way.*

Vienna—The Austrian police have succeeded in a decisive blow against part of the organized crime operating from Austrian territory. At a news conference, representatives of the Group for the Struggle Against Organized Crime [EDOK], a special section within the Austrian Ministry of Internal Affairs, reported the arrest of 35 individuals and the leadership of an organization that was named the "Yugomafia" in official jargon. With indictments, the Austrian security authorities have initiated proceedings against 150 other individuals. In connection with this, Director for Public Security Michael Sika revealed that the state authorities had managed to obtain concrete evidence of the organized activity of the so-called Yugoslav mafia for the first time.

Both the head of the international criminal network—33-year-old Zajim Sabanagic—and most of the captured members are former Yugoslav citizens from Serbia. The goal of the well-organized gang was to acquire and cash in on monetary funds that were derived primarily from the theft of credit cards and bank checks, dealing in drugs, automobiles and weapons, and protection rackets. The Yugomafia's network, according to the Austrian detective, was professionally organized and commercially well-concealed.

The theft of credit cards and bank and traveler's checks (they found 1,500 checks worth 3.5 million schillings) was organized abroad. For that purpose the gang—its cooperation with Italian and South American organized crime was very close—employed a real army of South American pickpockets. The members of the "Serbian syndicate" handled the exchange and sale of the stolen means of payment in Austria. A bank robbery in Milan is also attributed to the gang.

With the aid and cooperation of colleagues abroad, the Austrian detectives came across the trail of thefts and diverse other criminal activities by the gang throughout Europe. International warrants have been issued for two other members of the organization's leadership, 36-year-old Ratko Bjelobaba and 28-year-old Goran Sojic.

The monetary funds accumulated by the "Yugomafia" at its Vienna headquarters did not improve the lifestyle of its members in only nonessential ways. A large part of the criminally acquired monetary loot found its way to Belgrade—the funds were also intended to finance the war in the Balkans.

In connection with this, one circumstance during the questioning of the syndicate's head was eloquent: It was only when the Austrian police officials threatened, of course as a joke, that they would send the confiscated money to Bosnia that Sabanagic became "cooperative" and yielded some information.

The damage caused by the syndicate's activity is estimated at 100 million schillings.

The successful operation by the Austrian security authorities will probably be included in a collection of exemplary and illustrative documentation at European Interpol.

KNSB Committee Preparing General Strike

AU0505175394 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 5 May 94

[Text] The leadership of the Confederation of Independent Trade Unions in Bulgaria [KNSB] considers yesterday's national warning strike a success. In practice, it achieved all its planned aims and created the conditions for the success of the upcoming general strike on 17 May. KNSB President Professor Krustyu Petkov declared this at a news conference today.

A few hours later, the KNSB Executive Committee decided at a meeting to instruct the KNSB National Strike Committee to start preparing for the general strike tomorrow. The committee also decided to support the Union of Democratic Forces' [SDS] proposal for updating the national budget. The KNSB Executive Committee appeals to the parliamentary groups of the Bulgarian Socialist Party [BSP], Rights and Freedoms Movement [DPS], Union of Democratic Forces [SDS], and other members of the dynamic majority not to cast their votes against the cabinet retaining its present membership.

The KNSB leadership has unfortunately established that the government ignored the strike and encouraged repressive actions aimed at threatening the strikers and trade union leaders. Following his visit to Dupnitsa today with General Kosta Bogatsevski [chief secretary of Interior Ministry], Professor Krustyu Petkov stated that the KNSB has no claims in connection with the action taken by the local police there, but believes that the police were ordered to counteract the strike action there and that the order came from people above Interior Minister Viktor Mikhaylov.

The actions of the KNSB may bring the communists to power, Dr. Konstantin Trenchev, president of the Podkrepa Labor Confederation, declared at a news conference today. Podkrepa's view that the government is procommunist and is promoting active recommunization remains unchanged. According to Trenchev, the solution is to hold elections. At the moment, Podkrepa is waiting to see how the situation develops because no further mistakes can be allowed to occur, Dr. Trenchev said. However, the confederation's position might change to an aggressive stance if the Podkrepa Confederative Council decides so at its meeting on 9-10 May in Pazardzhik.

Aleksandrov Defends Position

AU0505160394 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 5 May 94

[Text] Since the situation that would emerge if the anticipated cabinet changes are approved actually means a new mandate, we must accomplish within 50 days what we could not do in 16 months, otherwise we will fail miserably. This position was defended at a cabinet meeting today by Finance Minister Stoyan Aleksandrov. He later explained his motives at a news conference.

According to Stoyan Aleksandrov, if the government succumbs to trade union and political pressure and adopts a cheap, populist policy of compensations, a catastrophe will immediately follow.

At a meeting with Prime Minister Berov Finance Minister, Aleksandrov said it is not normal to divide the functions of the Finance Ministry leader's important post.

At the cabinet meeting today, the prime minister asked all the ministers to present by tomorrow morning at the latest written opinions on possible measures in their separate ministries by the end of June.

Defense Minister Receives Austrian Delegation

AU0505151994 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 5 May 94

[Text] At the invitation of Defense Minister Valentin Aleksandrov, a delegation of Austria's Ministry of National Defense arrived in Bulgaria on 5 May for an official visit. The delegation is led by Defense Minister Dr. Werner Fasslabend.

The goal of the visit is to specify future contacts on the basis of the military cooperation agreement that was signed by the two ministries and the 1994 cooperation plan between the Bulgarian and Austrian armies.

Dukovany Power Plant: 315 Incidents in 1993

AU0505124394 Vienna NEWS in German 5 May 94 pp 24-25

[Article by Tino Teller: "Nuclear Scrap From Prague"]

[Text] At one point, the main central cooling pump ceased to work, the next time the emergency water feeder failed, and then an entire reactor block had to be shut down because of an operational mistake: A total of 315 major and minor incidents were registered at the Czech Dukovany power plant in 1993, 84 of which were direct consequences of "human errors."

This can be learned from the most secret annual report of the State Office for Nuclear Safety SUJB ("Statni urad pro jadernou bezpecnost") to the Economics Ministry in Prague, which has reached the hands of the Upper Austrian Greens Party.

A short glance into the secret report, which officially exists only in two copies, even exceeds the worst fears regarding the state of the Czech nuclear power plants in terms of security technology.

—In the 52 serious incidents, the operators of the Dukovany nuclear power plant had to declare an "unplanned decrease in output," which, according to the report, is 28 cases more than in 1992, a twofold increase within a single year.

—All in all, 13 emergency shutdowns had to be carried out at Dukovany within a single year—for example, on 27 June 1993 in Block 2, as a result of a major operational fault, or on 29 September in Block 1 and on 29 October in Block 3, as a result of a sudden failure of two of the six main central cooling pumps.

However, the other "deviations" from normal operations with unchanged reactor output bore considerable risks. Some of them were classified by the Nuclear Safety Office as "dangerous" in retrospect.

—During a check, the high-pressure pump for the emergency water did not start at all, while, during another check, the electric engine for feeding the boron solution into the system, the lack of which might lead to a disaster in an emergency, ran in the wrong direction.

—Contrary to the opinion of the state safety experts, the fire in the hydrogen system on 11 January 1993 was initially presented as absolutely harmless by the Dukovany engineers.

The Dukovany plant, which has been operating since 1985, is quite obviously showing major signs of wear and tear so that its continued operation is possible only by accepting ever-increasing safety risks.

Lower Safety Standards?

In its ultrasound checks in Block 2, the state office discovered cracks in the steel beneath the interior lining of the reactor vessel. Moreover, in one area, the inner lining of the reactor vessel no longer stuck to the ground material, which can lead to material tension and cracks. Yet, instead of repairing the defective material, which would cost considerable amounts of money, the inspectors in their annual report suggest a much cheaper solution: The quality defects, they wrote in their "recommendation," would be acceptable for the further operation of the reactor if "the safety criteria were overhauled"—that is to say, lowered.

Yet, as they stated themselves, the inspectors were unable to check the real state of the steel in the reactor vessel because of permanent defects in the ultrasound equipment....

That the position of the reactor vessel in Dukovany's Block 4 is too angular as a result of obvious construction defects, that it deviates more than 100 percent from the applicable safety regulations, hardly seems to count anymore. Even in this case, the State Nuclear Safety Office regards the further operation as "acceptable until further notice," despite this grave defect.

Is Prague Playing a Wrong Game?

For Rudi Anschober, Greens deputy from Upper Austria, this annual report of the Czech Nuclear Safety Office only provides the final proof that the Prague government is playing false: "All defects in the Czech nuclear reactors that we have pointed to have been confirmed in this secret report. Dukovany is a nuclear time bomb, only 35 km north of Austria's border. However, even we were surprised about the dramatic increase in the number of incidents last year. Dukovany has long since been fit for the scrap heap."

Yet, surprisingly, the secret report of the State Nuclear Safety Office supplies nuclear opponents with new ammunition against finishing Temelin. If the responsible district authority at Ceske Budejovice classifies the planned refitting of the Temelin reactors by the U.S. "Westinghouse" group as "essential," which is generally expected, then, in the view of the Nuclear Safety Office in Prague, the operators of the power plant also need a new construction license.

Illegal Building Site Temelin

With this view, the secret report indirectly supports Temelin opponents in the Czech Republic and abroad, for whom Temelin has been "the world's largest illegal building site" (Anschober) for some time.

The new construction licensing procedure might then mean the ultimate end for Temelin at the very last minute. Within the next few weeks, with their signature, at least 100,000 Austrians should therefore, as a precautionary measure, claim their right to speak out in the hearing regarding the construction of the missing blocks of the Temelin plant at the district office at Ceske Budejovice.

Despite all denials from Prague, the Czech Government is planning a massive extension of its nuclear program. At the moment, another licensing procedure is under way for a temporary storage plant for fuel rods not far from the Dukovany power plant, which would create an internationally unparalleled concentration of risk in this area. The Czech Nuclear Safety Office has not authorized this project because of planning mistakes.

According to the secret report, a separate fuel rod plant is also being planned, which would ultimately make the Czech Republic the number-one nuclear nation in East Europe.

Prime Minister Holds Talks With UK's Hurd

LD0505193694 Prague Radiozurnal Radio Network in Czech 1900 GMT 5 May 94

[Text] British Foreign Secretary Douglas Hurd arrived today for a two-day visit to the Czech Republic. He met Prime Minister Vaclav Klaus in the late afternoon. Lucie Weissova has more details.

[Weissova] After the meeting, Douglas Hurd told journalists that the talks dealt with Europe's future, with the expansion of European institutions, in particular the European Union and the North Atlantic Alliance. The two politicians agreed that a unified Europe should not become a superstate with Brussels as its capital. Rather, it should be a union of independent states that should be helped by this organization in efficient cooperation.

Vaclav Klaus handed the British foreign secretary a personal letter inviting Prime Minister John Major to visit the Czech Republic.

Responding to a question as to whether the Czech Republic could become a member of the European Union before the year 2000, Douglas Hurd said:

[Begin Hurd recording in English with superimposed Czech translation] That is up to you. You initiate and you choose gradual steps. The debate and the negotiations will follow. I can only say that it is well possible. However, the initiative rests with you. [end recording]

[Weissova] According to Vaclav Klaus, the Czech Republic will certainly submit the European Union membership application before 1996, when the EU conference on institutional reform will take place.

Hurd Received by Foreign Minister

LD0605113594 Prague Radiozurnal Radio Network in Czech 1000 GMT 6 May 94

[Text] In conclusion of his two-day visit to the Czech Republic, UK Foreign Secretary Douglas Hurd has met with his Czech counterpart Josef Zieleniec. Klara Stejskalova reports:

[Stejskalova] The talks between the foreign ministers chiefly concerned the Czech Republic's membership in the European economic and security structures. Minister Zieleniec praised Britain's role in involving the countries of Central Europe in the European Union. At the same time, he stressed that we are striving for membership not because we want to be recipients of European aid but because we want to contribute to transformation using our own funds. According to Hurd, the European Union must grow gradually, on the basis of agreements that have already been concluded.

The talks also concerned NATO and the Partnership for Peace program. The two ministers praised the role of the United States, saying that its military presence in Europe is the guarantee of stability and that it has played an important part in the recent changes in Central Europe.

Memorandum of Understanding Signed With Iran

LD0505164694 Tehran IRNA in English 1455 GMT 5 May 94

[Text] Vienna, May 5, IRNA—Iran's minister of heavy industries, Hadi Nejad-Hoseynian, concluding his 4-day official visit to the Czech Republic, signed with Czech trade and industry minister, Vladimir Dlouhy, in Prague Thursday a memorandum of understanding on bilateral cooperation in trade, banking, technical, industrial, agriculture and transportation.

During his stay in the Czech Republic, Nejad-Hoseynian held talks with Czech Prime Minister Vaclav Klaus, Deputy Prime Minister and Agriculture Minister Josef Lux, Transport Minister Jan Strasky, Privatization Minister Jan Skalicky, and Trade Minister Karel Dyba.

Topics of Nejad-Hoseynian's discussions with Czech officials were matters related to expansion of trade, as well as bilateral relations.

Report on 1993 State Closing Account

AU0505202994 Prague LIDOVE NOVINY in Czech 3 May 94 p 3

[Article by "(ce)": "The Government Assesses Last Year's Economic Development as Successful"]

[Text] Prague—The government considers last year's economic development in the Czech Republic to have been successful. It states this in the draft state closing account for 1993 that it has submitted to parliament. It considers price stabilization to be an important feature of economic development. The level of inflation measured by the consumer price index was 20.8 percent last year, 8.0 percent of which can be ascribed to tax reform. During the year, the prices of foodstuffs increased by 13.2 percent, nonfoodstuffs by 18 percent, public catering by 21.9 percent, and services by 25.3 percent.

The productivity of labor rose for the first time since the start of transformation—by 2.4 percent compared with 1992. It has not changed much in large organizations; it has increased by just under 25 percent in small organizations, and it declined by 12.2 percent in construction.

The decline in unemployment halted in May, and the number of people out of work began to go up in June. At the end of the year, there were 185,000 people out of work, 50,000 more than in 1992. The average period of unemployment was 4.6 months. At the end of 1993, 4,954,000 people were working in the national economy—that is, 17,000 fewer than the previous year. The structure of employment has changed, however. The labor force in industry and agriculture gradually transferred to construction and services. Some 7 percent were employed in agriculture and forestry and 34.4 percent in industry. The 50-percent boundary was exceeded in services for the first time. Some 45.5 percent were employed in the private sector, which was more than in state and local organizations.

The population's real income rose by 5.6 percent, while its nominal income rose by 27.6 percent. The government forestalled extreme wage development (by 32.7 percent in June compared with 1992) by wage regulation.

The closing account showed income amounting to 358 billion korunas [Kc] and expenditure amounting to Kc356.9 billion. That is, it ended with a surplus of more than Kc1 billion. The government proposes that Kc200 million be used to support small and medium-sized business, especially in the Bruntal, Louny, Novy Jicin, and Znojmo Districts. The sum of Kc87 million should be transferred to the North Bohemia Mines shareholding company to repay the credit for removing the overburden, Kc340 million should go toward establishing a system for administering and supervising the Czech Republic's taxes and duties, and Kc454 million should go toward boosting the reserves for dealing with social problems.

Figures on Trade With Slovakia Issued

AU0605061394 Prague HOSPODARSKE NOVINY in Czech 4 May 94 p 2

[Unattributed report in the "News From Home" column: "The Balance of the Clearing Account With the Slovak Republic Has Fundamentally Changed"]

[Text] Prague—The balance of foreign trade with Slovakia's clearing account fell in April from 2.067 billion korunas to 391.373 million korunas. This has been announced by Ondrej Kvacek of the Czech National Bank Public Relations Department. The figure of more than 391 million korunas approximately equals 11.5 million ECU's, which is less than a tenth of the permitted level of 130 million ECU's. During the year that this level has been in effect, it was exceeded twice—in December 1993 by 40.2 million ECU's and in January 1994 by 46.1 million ECU's—and each time the Slovak party paid the difference in convertible currency in time.

Moravcik Interviewed on Elections, Economy, IMF

AU0505202594 Bratislava NARODNA OBRODA in Slovak 2 May 94 pp 1, 3

[Interview with Prime Minister Jozef Moravcik "prepared by" Julius Gembicky in Bratislava; date of interview not given: "A Prime Minister for the Short or Long Term?"]

[Text] Bratislava—Following last year's visit by former Prime Minister Vladimir Meciar, the NARODNA OBRODA editorial office welcomed Slovak Prime Minister Jozef Moravcik 43 days after he formed his Cabinet. They are both from central Slovakia. However, each is made of different stuff—different vocabulary, drive, and temperament. To be honest, the diplomatic polish of the latter prime minister is not, on the outside, in any way reminiscent of the Polana temperament. It is perhaps only revealed by the quiet determination with which he worked his way to the top rung of the Slovak political ladder.

[NARODNA OBRODA] Mr. Prime Minister, you traveled along part of the same political path as Vladimir Meciar. When did you begin to part ways, and what was the moment of truth in your mutual relations?

[Moravcik] The break did not occur in our personal relations but involved a mutual political parting of ways. There is a tendency to personalize political disputes in our country. For example, I have always had different views from Jan Carnogursky, but we have always remained friends. The rift in relations with Meciar began last year after I was appointed foreign minister and became an open rift in May or June. It consisted of a different point of view on looking after Slovakia's interests.

We each had a different feeling about how this should be done. In my opinion, the methods and style of Meciar's government did not do our interests any service. My—almost singular—opinion did not at that time represent within the Movement for a Democratic Slovakia [HZDS] an alternative to this style of government. It came about with great difficulty and under dramatic circumstances.

[NARODNA OBRODA] In the most recent public opinion poll, however, almost 45 percent of respondents are of the opinion that the HZDS will again emerge victorious from the early elections....

[Moravcik] I am also convinced that the HZDS will obtain the highest number of votes in the elections. Obviously, the majority of you feel the same. This is very likely, and it probably cannot be changed. Of course, this does not mean that I support the HZDS.

[NARODNA OBRODA] What, then, are you doing specifically to alter this situation? What kind of chairman are you if you do not venture to win the elections?

[Moravcik] No, we cannot cope with this responsibility. We will not win the elections ourselves. Nevertheless, I am convinced that this governing grouping will be successful if it combines its efforts. I am willing to work hard for this. I am even willing to work on my image.

[NARODNA OBRODA] Some coalition radicals are criticizing you and are claiming that the necessary drive alone will not suffice for a more effective preelection campaign against the opposition. They say that you will not win over the politically undecided and irresolute with nonconfrontational decency. Why have you adopted defensive tactics?

[Moravcik] Because carrying on along confrontational lines, which I indicated in my speech when I introduced the government's policy statement, would not bring us what we are striving for—a calm atmosphere among the population. If we do not maintain this, we will not manage to achieve what we have set out to achieve. Calm also represents an economic value that can be expressed numerically. Therefore, we have no reason to change what we started with. I believe that a cooperative style of politics will also be asserted after the elections.

[NARODNA OBRODA] However, it was possible to discern a certain tension within the broad coalition government after your election as Democratic Union of Slovakia chairman. This also took some of your coalition partners by surprise....

[Moravcik] We consulted all of our partners on this eventuality. However, as far as the consultations with Party of the Democratic Left [SDL] representatives are concerned, I admit frankly that, during them, we confused informal talks with formal ones. We apologized earnestly to Peter Weiss for this mistake and added that it should not affect our relations.

[NARODNA OBRODA] However, it is still fresh in the people's minds that it was your Alternative that did not want the political elite to become involved in executive power....

[Moravcik] Even I do not like this solution much. I know that we have lost some points over this. However, it was a necessary compromise that enabled us to implement a plan of cooperation among those political entities that have a compatible or close orientation.

[NARODNA OBRODA] Could this issue not have been resolved, for instance, by using the method applied in Great Britain? There they differentiate between the party chairman and leader....

[Moravcik] Such a solution was on offer. Only it is unknown in our political environment. Our solution corresponds to it.

[NARODNA OBRODA] Other factors, however, may have a much more significant influence on the outcome of the elections—how much money will be left for the social sphere, what kind of price hikes there will be,

while the increased value-added tax on foodstuffs in particular is a major bugbear.

[Moravcik] Health care and education are on the verge of collapse. To be able to at least maintain education at the most essential level and provide health-care services and medicines, we simply have to have additional resources. We can acquire these by raising taxes. To reduce expenditures and bring in resources, we are preparing an option whereby value-added tax will be set at the single rate of 25 percent—for luxury foodstuffs and services. We want to raise consumer tax on cigarettes and alcohol. We are still considering beer. However, we do not want to live to the detriment of the future.

[NARODNA OBRODA] It is said that a government that increases the price of beer will fall.

[Moravcik] Therefore, we are merely considering it. First and foremost, however, we would like to bring more resources into the budget by means of greater financial discipline, even by increasing the fines for misdemeanors. Although not very much is obtained from this, the penalty for them is low, and so we can allow ourselves to be more strict. We would like to save something in expenditure on the Army. It is a problem, but we are also thinking about reducing the subsidies for agriculture. This will be even more complicated. We want to partially reduce the subsidies for energy, but, so far, these measures are merely being taken into consideration.

[NARODNA OBRODA] Although we are at the end of April, the greatest change is expected in the budget. Was it perhaps formulated too optimistically, not only with regard to the sources of revenue but also with regard to expenditure?

[Moravcik] The sources were overestimated and the expenditure was underestimated. This causes hidden tension in the budget. We will have to take active steps to ensure that health care and education do not collapse. If we were to choose the path of lesser resistance and permitted a deficit at the level of last year's, the state's overall indebtedness would again increase and we would nudge the solution to our current problems into the future. This would be at variance with what we have undertaken to do in the government's policy statement.

[NARODNA OBRODA] Your Cabinet is making the maximum possible effort to reach an agreement with the IMF that would create a favorable climate for the Slovak Republic's cooperation with the financial world. Is this not merely patching up the budget with the aim of maintaining the koruna's internal convertibility?

[Moravcik] The standby loan and the most advantageous terms for its repayment will create an important background, especially for the entry of foreign investors. The issue does not so much involve the $140 million as the possibility of earning some money. Investment injections from outside improve our credibility and thus the reliability of our economic and trade relations. We could also get loans under more disadvantageous conditions, but we value this effect. That is, we will enter into this even with the knowledge that some of our measures will be unpopular and will affect the pockets of every citizen. Therefore, we have to create a form of compensation for the socially weakest sectors. We are specifying what kind. However, we will decide when all the negotiations are concluded.

[NARODNA OBRODA] Did Deputy Prime Minister Schmognerova and Finance Minister Filkus get on well at their talks in Washington with representatives from the IMF and the World Bank?

[Moravcik] As far as I know, yes. The talks took place in a pleasant atmosphere and confirmed the interest from abroad in helping Slovakia.

[NARODNA OBRODA] With your permission, Mr. Prime Minister, a heretical question. It seems to us that foreign investors are still waiting in front of the gates, at least until the elections, because they consider your Cabinet to be a provisional one.

[Moravcik] Despite this skepticism and the short time we have at our disposal, I am an optimist. I believe that we will manage to convince both potential investors and our citizens before the elections.

[NARODNA OBRODA] Every government has made promises of its willingness to help businessmen. This is as far as most of them got. Moreover, you have little time....

[Moravcik] Therefore, the most important task will be to guarantee sufficient sources of credit. The National Bank of Slovakia may also increase its credit margin. But this will not be enough. We see additional sources in activating the National Property Fund, in the Guarantee Bank, and, apart from this, we will seek foreign assistance—all during this short period. We are thinking about reducing the tax burden on businessmen, which is on the verge of tolerability, in the future. It does not motivate anyone, but it does lead to tax evasion. Therefore, we intend to accede to tax liberalization, which, in essence, has a motivating effect and, in the final analysis, increases budget revenue.

[NARODNA OBRODA] Some foreign sources have said that, even under the former government, the economic decline was halted and that we have already pushed off from the bottom....

[Moravcik] We would not assess the state of our economy so optimistically. Although there have been some positive trends, we have not managed to turn the export-import ratio in the desired direction. However, this is also due to the fact that exports are usually lower in the first few months of the year; they culminate sometime in November. Nevertheless, it is possible to expect what we so carefully formulated in the policy statement, that the trend toward zero growth is a partial

reason for optimism. Moreover, the foreign currency operations have also shown some signs of life.

[NARODNA OBRODA] In your opinion, will the negative reaction from the Czech side to the mutual assignment of certificates for imported foodstuffs and products also be projected into the higher prices for agricultural products in Slovakia?

[Moravcik] When we assumed executive power, the implementation of the legal stipulation on their mandatory assignment, approved by the National Council of the Slovak Republic, had still not been adequately prepared from a technical point of view. Therefore, we agreed to a postponement of one month. It could not be resolved hitherto because of the different interests of the Slovak and Czech sides. However, I do not think it is exactly helpful if, a week before the deadline expires, the whole issue is transferred from the specialist to the political level, even though there was no time to resolve the contentious points before 1 May. However, this does not release us from the mandatory assignment of certificates as laid down by the law. I also conveyed this to [Czech Trade and Industry] Minister Dlouhy in a telephone conversation when he requested a further postponement. However, if problems have cropped up on their side, they could have let us know earlier. It was already too late for us. And will this matter be projected into the increased prices? Issuing certificates does not exact especially high financial costs. But it could if it stiffly curbs the import of cheaper Czech products.

[NARODNA OBRODA] Mr. Prime Minister, your government is to prepare a number of laws for parliament. Will you be able to cope with the process of adopting them in view of the fact that summer and the recess are approaching?

[Moravcik] Yes, if we proceed from the idea of a working summer. For us to achieve this, parliament will hold a working session at the end of July. We would like to adopt some of the norms, while others will be at least legislatively prepared for the postelection government. Our ambition is that it is our coalition government, although we do not know whether it would have the same personnel it has at the moment.

[NARODNA OBRODA] In your opinion, what will the HZDS deputies come out with in their proposal to recall Deputy Prime Minister Kovac?

[Moravcik] I am convinced that the accusation is fabricated. I am also convinced that this is merely an attempt to denigrate government members. This is a scheme according to which, if they do not prove anything, they will at least sow seeds of doubt in the people's minds. Such a way of thinking is alien to me. Political practices like this merely damage Slovakia. I do not think it is a decent form of political rivalry.

[NARODNA OBRODA] Is your situation also not complicated, Prime Minister, by the rumors that one of your Cabinet team has problems with the screening law?

[Moravcik] As it is made clear in the screening law, I asked for all government members to be screened to find out if they comply with the law's conditions. I am waiting for an answer.

[NARODNA OBRODA] Apparently, some coalition partners are also thinking about changing the election law. The issue involves, in particular, increasing the number of electoral districts from four to seven. Moreover, the SDL is proposing that the election campaign be shortened to two weeks and that the number of broadcasts on radio and television be cut....

[Moravcik] At the moment, opinions are not unanimous in everything. However, we have agreed that we will adhere to the hitherto valid rules of the game—that is, four electoral districts and a month-long election campaign. Nonetheless, we have left this issue open. We did not consider it to be a fundamental problem.

[NARODNA OBRODA] In connection with the term of your mandate and the unpopularity of some measures, you may find yourself in a dilemma over whether to postpone the early elections....

[Moravcik] I admit that this is the case. Six months is too little to be able to change more substantially the ratio of political forces—that is, the problems of the old parliament will, to a certain extent, recur after the elections. I make no secret of the fact that, during the talks with our partners, we also discussed the idea of postponing the elections until 1995.

[NARODNA OBRODA] Why was the idea not adopted?

[Moravcik] Some parties were of the opinion that this would not be to their advantage. It seems this was not quite the correct conclusion to reach.

[NARODNA OBRODA] Mr. Prime Minister, you are a native of Ocova. When did you last sing with Jan Berky-Mrenica?

[Moravcik] I have never sung with him. But I like his music very much. It is a shame we have not seen each other for a couple of years.

[NARODNA OBRODA] So, what if you were to meet in NARODNA OBRODA next time?

Discusses Transition Government

AU0505132194 Vienna NEWS in German 5 May 94 p 72

[Interview with Prime Minister Jozef Moravcik by Euke Frank; place and date not given: "Visions of a Short-Time Prime Minister"]

[Text] [Frank] Your transition government has no more than six months until the next election in the fall. Do you see any chances at all to take future-oriented steps in such a short period?

[Moravcik] Absolutely. We have put together a cabinet of experts. Priority will be given to stabilizing the economic situation, stimulating exports, and, most important, providing social security for the people.

[Frank] Is Vladimir Meciar, your former party colleague and now political adversary, making life difficult for you because he is in the opposition? After all, his political style was not always exactly fine.

[Moravcik] Quite so. I think that we will not give him any chance to make commentaries that are beside the point. He has to deal nfow with experts and not with political functionaries.

[Frank] If the fall election were to result in a hung parliament, would you be ready to enter into a coalition with him?

[Moravcik] For this he would have to change his political style fundamentally.

[Frank] By his statements on the Romanies living in Slovakia, Meciar triggered a storm of indignation in the international media. What do you think about this problem?

[Moravcik] As so often, Meciar chose the wrong tone and the wrong words. On substance, however, I must say that he was right. The crime rate among this part of the population is above average, and it constitutes a burden for our budget through the high children's benefits it claims.

[Frank] Are you working on a solution?

[Moravcik] Creating employment means more jobs for everybody, including the Romanies. As far as child benefits are concerned, we will have to make cuts, such as freezing the increase in child benefits as of the fourth child.

[Frank] According to a survey, more than 60 percent regret the separation from the Czech Republic....

[Moravcik] In the long term, it was our only chance.

Comments on No-Confidence Debate

LD0505140694 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 5 May 94

[Text] Deputy Prime Minister Roman Kovac regards the deputies' proposal to express no confidence in himself as a kind of lesson. In an interview granted to the TASR news agency, he said that he learned from circles close to the Movement for a Democratic Slovakia [HZDS] that proposals similar to this one are being prepared to be raised at the next meeting of parliament.

Prime Minister Jozef Moravcik said the debate on no confidence in Roman Kovac documented the poverty of the political culture of certain sections of deputies and political groups. At the same time, he did not rule out that similar proposals on no confidence will appear in the future, too. He said, however, that he is convinced that these moves do not at all affect the stability of the present government.

Newspaper Criticizes Kovac's Attack on Meciar

AU0505191294

[Editorial Report] Bratislava REPUBLIKA in Slovak on 30 April on page 2 carries a 200-word TA SR report on President Michal Kovac's visit to Cadca, center of the Kysuce region in north Slovakia, on 29 April and the speech he made on the occasion. On 3 May, the same newspaper on page 3 carries a 600-word Viera Urbanova commentary criticizing the "escalating attacks" on former Prime Minister Vladimir Meciar, with special emphasis on President Kovac's speech in Cadca.

The TA SR report includes the following passage: "President Kovac said that he came to the Kysuce region to get to know the region's problems on the spot and to gain a better understanding of them. He also explained some of the reasons that led to the recent change in the Slovak Government. According to his words, many of the former government's practices had long signaled a discrepancy between its proclamations and actual deeds. The prime minister's autocratic method of government, the suppression of different views, defamations, not saying the whole truth, and the scandalization of people from other political entities were the main reason for the government's loss of favor and support even among some of its own deputies, the president added."

The Urbanova commentary is entitled "Meciar Persecution Mania—Remedy for Unemployment?" The author observes that the new government coalition, "which is pledged to pursuing civilized policies without confrontational tones," is doing the exact opposite, and its "attacks" on the former prime minister "are even escalating." In this context, she says: "The president, who, as head of state, should be, first and foremost, a moral authority, should stand above matters, and should apply the same yardstick to anyone, has not managed to step over his shadow of a provincial politician. During his visit to north Slovakia, Michal Kovac defied everything of which he wants (and should) be a safeguard: calm and peace, which Slovakia needs the most. In Zilina, he spoke about reconciliation, and, in neighboring Cadca, he once again fully exposed his Meciar persecution mania, which he finds so difficult to conceal. If the head of state wants to get to know the problems of a region, why does he have to lower himself to calling the chairman of the Movement for a Democratic Slovakia names? It is very doubtful whether this attitude of the president will resolve unemployment or calm down passions among people. It seems that tolerance, statesmanlike wisdom, and foresight still have not made it to our latitudes, while the discrepancy between proclamations and actual deeds is thriving here."

FRG's Kinkel Assures Kukan of Support

LD0505153394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 5 May 94

[Excerpts] Slovak Foreign Minister Eduard Kukan continues his three-day working visit to Germany. Following the meeting with his counterpart, Klaus Kinkel, yesterday, today he met with Defense Minister Volker Ruehe. He also had talks with Hans Ulrich Klose, leader of the SPD [Social Democratic Party of Germany] group in the Bundestag. Eduard Kukan is now on his way to Berlin. Shortly before he left, our correspondent Branislav Zvara asked him to briefly sum up his talks so far:

[Begin recording] [Kukan] After we had talks with Minister Kinkel, we were pleased to hear of support for Slovakia's efforts aimed at membership of the European Union and NATO, as was the case of Portugal, Spain, and other countries. In geographic terms, Germany is our closest partner, and Germany knows intimately the process of transformation that is under way in Slovakia because Germany itself is pursuing a similar process in one part of its territory. [passage omitted]

[Zvara] Did you discuss the agreement on Slovakia's association with the European Union? According to Bundestag Chairwoman Mrs. Rita Suessmuth, this agreement should be ratified before the summer vacation.

[Kukan] We discussed this issue, which Slovakia considers very important at this time, because before we submit our official membership application, all twelve [European Union countries] will have to complete the ratification process. Two countries, Denmark and Great Britain, have ratified the association agreement so far. Minister Kinkel reassured me that he does not envision ratification problems in the Bundestag and that it should take place as early as July.

[Zvara] Minister, contacts between the Slovak Republic and Hungary have recently been very intensive. I would like to know whether Mr. Kinkel was briefed about these issues and mainly whether he was briefed about tackling some problem areas that have played a rather negative role in relations between Hungary and Slovakia.

[Kukan] Germany is following with great interest the development of relations between Slovakia and Hungary. We discussed these issues, and the outcome of our discussion was that we will facilitate our own rapprochement with Europe if we can prove that we are sufficiently politically mature and advanced to address these issues on a bilateral basis.

I assured the minister that this was precisely the way in which Slovakia approached these issues and that the new government has succeeded in creating a better and more calm atmosphere in relations with Hungary and that this atmosphere will, in effect, lead to solving these issues on a step-by-step basis, starting with the issues of lesser importance and later focussing on the big treaty with Hungary. We are confident that the two of us will be able to resolve these issues. [passage omitted] [end recording]

Cuba Releases Dissident as 'Gesture' Toward SR

AU0605113894 Bratislava REPUBLIKA in Slovak 4 May 94 p 2

[Article by "bj": "Martinez Set Free; Cuban Charge d'Affairs on Yesterday's Demonstration"]

[Text] Bratislava—"This is a needless politicization and ideologization of the problem, which cannot have a positive influence on bilateral relations between Slovakia and Cuba," Juan Sanchez Monroe, charge d'affairs at the Cuban Embassy in the Slovak Republic, told a news conference about yesterday's demonstration for the release from prison of dissident Joel Duenas Martinez, which was organized by the Bratislava branch of Amnesty International. Out of respect for the Slovak public and following a personal conversation with Marta Simeckova, the Bratislava representative of Amnesty International, J.S. Monroe, pledged already last year that he would personally plead for the revision of the verdict. This happened in March of this year and in April Martinez was released from prison. "Cuba did this as a friendly gesture toward the Slovak Republic," J.S. Monroe said. That is why he considers yesterday's demonstration, as well as the previous March demonstration, inappropriate interference in the Slovak-Cuban dialogue.

Extradition Accord Signed With Croatia

AU0505195394 Bratislava SLOVENSKY DENNIK in Slovak 30 Apr 94 p 2

[Article by "ze": "Agreement on Extradition and Acceptance of Citizens Between Slovakia and Croatia"]

[Excerpts] Bratislava—Slovak Interior Minister Ladislav Pittner and Croatian Minister of Internal Affairs Ivan Jarnjak signed an agreement between the Governments of the Slovak Republic and the Republic of Croatia on the extradition and acceptance of their own citizens, as well as a protocol on the execution of the agreement, in Bratislava yesterday. [passage omitted]

The agreement will facilitate cooperation between the police and the security forces of both countries in uncovering criminal activity. [passage omitted]

Slovak Interior Minister Ladislav Pittner announced at a briefing that some 18,000 foreign nationals are currently staying legally in the Slovak Republic, and another 20,000-30,000 are estimated to be staying here illegally, most of whom are citizens of the former USSR. Chechens, in particular, are engaged in criminal activity on our territory. Certain indications suggest that they play the role of some kind of punitive expeditions in connection with international crime or the role of drug couriers. Jarnjak said that, although the number of foreign tourists

doubled in Croatia last year, the crime rate declined 18 percent, also thanks to preventive operations. [passage omitted]

Netherlands Embassy Opens in Bratislava

AU0605061194 Bratislava SME in Slovak 30 Apr 94 p 4

[TA SR report: "Netherlands Embassy"]

[Text] A reception on the occasion of the Netherlands national day, the Day of the Queen, hosted by Hans J. Heinemann, ambassador of the Kingdom of the Netherlands to the Slovak Republic resident in Prague, marked the official opening of an independent representative office of the Kingdom of the Netherlands in Bratislava. The embassy's task is to intensify contacts between the two countries. Initially, the Kingdom of the Netherlands will be represented in Slovakia by Charge D'Affaires Hugo Gajus Scheltema.

Union of Cities 'Tackling' Decentralization

AU0505195694 Bratislava SLOVENSKY DENNIK in Slovak 30 Apr 94 p 1

[Article by "kht": "For Cooperation in the Interest of Citizens"]

[Excerpts] Kosice—The constituent assembly of the Union of Slovak Cities [Unie slovenskych miest], which has been initiated by the Club of Mayors of Slovakia, was held in Kosice yesterday. Its founding members are Nove Mesto nad Vahom, Spisska Nova Ves, Nova Dubnica, Kezmarok, Levoca, Kosice, Pezinok, Rajec, Stary Smokovec, Trencianske Teplice, and Banska Bystrica. Representatives of another nine cities participated in the assembly as observers.

The reason for the union's founding is [a search for] decentralization of state power in Slovakia through the strengthening of local self-administration and the creation of regional self-administration. The union sets itself as its main targets the approval of a law on the territorial and administrative division of the Slovak Republic on the basis of counties [zupny princip]; cooperation between the city, the county, and the state for the citizen's benefit; the enforcement of economic and financial independence of self-administrative bodies; cooperation with citizens in the development of the region; and mutual cooperation among cities in tackling their common problems. [passage omitted] The twelve mayors of the founding cities of the union and their statutory representatives elected Rudolf Bauer, mayor of Kosice, as president of the union. Engineer Stanislav Mika and Engineer Milan Hort became vice presidents. [passage omitted]

[Bratislava PRAVDA in Slovak on 30 April on page 2, under the headline "They Want Division Into Counties," carries a 200-word "rm"-signed report on the above assembly. The report notes that "surprisingly, Bratislava is not represented among the founding members because deputies to the City Council still have not approved the capital's entry into the union."]

Schmognerova Views Prospects of New Loans

AU0505191594 Bratislava PRAVDA in Slovak 30 Apr 94 p 2

[Article by "ip": "Social Dimension of Transformation; Results of Slovak Government and National Bank Mission"]

[Excerpts] Bratislava—The IMF has become more flexible, Slovak Deputy Prime Minister Brigita Schmognerova said yesterday after returning from talks at the IMF's Washington headquarters.

According to Schmognerova, the fund's steering bodies are beginning to realize that, apart from assisting in the macroeconomic stabilization of the transforming economies of Central and East Europe, it is also necessary to assist in their structural reforms. An important role in this process is to be played by the World Bank. Both international financial institutions are beginning to realize the social dimension of transformation, and it seems that they will take it into consideration when making recommendations for economic recovery. Our delegation won the support of supreme IMF and World Bank representatives, and the acquisition of a standby loan amounting to up to 40 percent of our stake in the IMF is realistic as early as June. It will be paid out over the rest of 1994 and the entire year 1995, which can be understood as an expression of trust in the stability of the Slovak economy. The condition for loans from the World Bank, which could be approved as early as September, is that we specify our national economic priorities. Resources from the World Bank are to be used for the restructuring of commercial banks, the formation of a rational labor market, and the completion of apartments under construction. [passage omitted]

Slovak National Bank [NBS] Governor Vladimir Masar said that it transpired from his talks with IMF representatives that the NBS is fulfilling its monetary program and that the IMF accepts the instruments being applied in monetary policy.

Only questions of budget policy remain open. The NBS governor came to an agreement with major investment companies and banks on their cooperation in putting our commercial banks on a sound footing. Special emphasis was placed on the size of financial injections and the method of their use.

HSP Leader Horn Injured in Car Accident

LD0505204294 Budapest Kossuth Radio Network in Hungarian 2000 GMT 5 May 94

[Text] We have just received the news that Gyula Horn has been involved in an accident. Peter Juhasz reports:

[Juhasz] Not long after 2100, Gyula Horn, chairman of the Hungarian Socialist Party [HSP], who was on his way home after his end of campaign mass rally in Miskolc, has been in an accident.

Details are not known thus far. All I managed to find out a few minutes ago was that Gyula Horn's car crashed into a truck that did not have its lights on while passing on the No. 3 main trunk road between Nyekladhaza and Emoed. Three people were injured in the crash, including the party chairman. How and to what extent are not yet known.

Anyway, preparations have already been made at the trauma department of the Miskolc Iron Works Hospital to receive the injured.

Injuries Reported

LD0505222594 Budapest Kossuth Radio Network in Hungarian 2200 GMT 5 May 94

[Excerpts] Listen to Peter Juhasz's report from Miskolc on Gyula Horn.

[Begin Juhasz recording] Dr. Zoltan Katona, head physician at the Miskolc County Hospital, informed our editorial shortly before midnight about the condition of Gyula Horn, who suffered a car accident tonight. According to the report, the HSP [Hungarian Socialist Party] chairman has suffered a fracture of the cervical vertebra. Luckily the vertebra did not become dislodged and no nerves have been damaged.

Apart from this, one of his wrists was broken and he has facial injuries.

Gyula Horn lost consciousness at the moment of the crash but he has now come round and is well considering the circumstances. [passage omitted]

The examination into the cause of the accident is continuing.

Further on Horn's Condition

LD0605110894 Budapest Kossuth Radio Network in Hungarian 1000 GMT 6 May 94

[Text] This morning a news briefing was held on Hungarian Socialist Party Chairman Gyula Horn's condition at the hospital's casualty ward in Miskolc. Among other things, it was said that the politician lost consciousness in the accident last night and he does not remember what happened. His cervical vertebra and one of his wrists are broken. His mind is clear, and neurological changes still cannot be found. Peter Juhasz's interview follows.

[Begin recording] [Juhasz] Dr. Zoltan Katona, director of the county hospital. How is Mr. Horn at the moment?

[Katona] His condition is satisfactory and reassuring, thank you very much. He spent last night peacefully. The broken bones were fixed during the night. No complications have occurred. According to our expectations, he might get up on Wednesday [11 May], or so.

[Juhasz] It means that he might even leave the hospital, does not it?

[Katona] Yes. However, the question of whether he will return straight to his home or, perhaps, to an institute in Budapest for a few-day observation, has to be discussed with him and doctors who will carry out the check-ups later.

[Juhasz] How are his two colleagues?

[Katona] His companion had to be operated last night, because a part of his skull was crushed, therefore some bits of the fractured scull had to be removed. The occurance of his indisposition accompanied by fainting has become less frequent. His condition is satisfactory.

The car driver has broken his arm, which is currently being operated on. He and Horn's companion can presumably leave the hospital by the end of next week. [end recording]

Party Programs, Priorities Examined

AU0605095394 Budapest NEPSZABADSAG in Hungarian 4 May 94 p 13

[First of several in a series of unattributed articles: "The Image of Party Programs, Part I"]

[Text] NEPSZABADSAG has conducted an all-round inquiry among the political parties that succeeded in presenting a national list in order to make it easier for the readers to decide on whom to vote for. We wanted to publish the summaries according to an alphabetical order, but the answer of the Christian Democratic People's Party [KDNP] arrived yesterday after the press deadline, so we will publish their short program in our next issue.

Questions:

1. What are the three major political, economic, social, or welfare tasks facing the governing forces in the next four years, tasks that your party accepts and will give preference to even at the cost of other problems?

2. What are the three larger-than-average economic, political, social, or moral burdens facing the society or some strata of the society in the next four years, burdens connected with or independent of the aforementioned tasks that you do not accept or accept only partially, and which you force into the background compared with other similar problems?

Agrarian Alliance

1. Preparing the agricultural sector for the role of governing, the agricultural program is the most developed part of our party's program, and its title also expresses the essence of our conviction: The crisis that emerged in the agricultural sector requires the reorganization of agriculture. Our party places agriculture in first place among the sectors capable of accelerating our national economy. Our main goal is to put an immediate end to the crisis and to create legal and income security for agricultural producers. For this, we want to raise our agricultural concept to the level of a government program that enjoys a broad parliamentary support, and thus create guarantees for the supply of budget resources necessary for the implementation of the national agricultural program.

It is clear for the Agrarian Alliance that agriculture should play a lasting stabilizing role in Hungary in an economic policy that asserts this country's interests well, and agriculture should have a greater national economic weight in our Gross Domestic Product [GDP], exports, and employment, compared with the more developed countries.

Modernization also contains the requirement that Hungary should develop proportionally and the level of development of various parts of the country and types of settlements should be balanced.

If the current trends continues, there will be a danger of increased territorial inequality and social division. This will appear not only in the confrontation between towns and villages and between the capital city and the provinces, but also in the increasing differences in the people's life expectations, quality of life, and social situation.

The universal realization of the fact that the development of intellectual resources—education and scientific research—is the most profitable investment must be raised to the level of government policy. The level of extent of these resources determines today the level of economic development and the possibilities of participation in the international integration. At the same time, investments aimed at increasing the intellectual capital are directly connected with the bourgeois transformation of society.

2. The situation is obviously sensitive: One has to speak of forcing important issues into the background on the eve of parliamentary elections. Among the various possible issues, we mention first the fact that, no matter how justified it is to increase the professional level in the ministries and government offices, we would not be able to pay for really good professionals in the future either, because, in the state administration, we will continue to be unable to compete with the income possibilities prevailing in the sphere of enterprises and private ventures. The development and modernization of Hungary's defense forces is an even bigger issue, and it requires considerable resources. At the same time, the budget will not enable an adequate increase in defense expenditure in the near future. And now an example from the world of culture. The construction of the new National Theater is a really important national issue that was decided long ago; however, it is highly improbable that the necessary budget can be allocated for this in the coming four years.

United Smallholders' Party [EKGP]

1. The EKGP regards the following as partial measures of the three major tasks:

—irrigation development of up to 1 million hectares;

—a maximum interest level of 10 percent;

—industrial export subsidies of 7-8 billion forints annually and agricultural export subsidies of 30-35 billion forints annually;

—an encouraging tax system;

—an annual export volume of $8 billion and $4 billion respectively;

—a maximum annual global consumption quota of $200 million, without private cars;

—a maximum of $100-$150 million agricultural imports annually;

—an annual foreign trade surplus of $1.5-$2 billion;

—a maximum annual budget deficit of 100 billion forints;

—a streamlined army personnel, good technology, and state administration;

—the use of customs charges [vampotlek] (3-5 billion forints annually up to the year 2000);

—acceleration of investments with subsidies of 15 billion forints annually (industry-agriculture and price-interest).

2. "Burdens" connected to important things cannot be left "unsettled!" There can be only slight "burdens" connected to the aforementioned "key tasks" (burdens that can only enjoy less government interference and smaller financial resources);

—sports;

—film production;

—state finance for other arts;

—social support for inactive strata of the society (between 20 and 55 years of age);

—tax exemptions [adokimeles] for luxury and prestige consumption;

—government aid to unsuccessful banking or insurance activity.

Federation of Young Democrats [Fidesz]

1. According to the Fidesz, the three major tasks of the coming four years are the following: the creation of jobs, educational reform, and the development of backward areas.

The new government will have to face the fact that the using up of the future [jovofeleles] carried out by the governments in power in the past 10 years can no longer continue; in other words, it is impossible to accumulate the foreign and domestic debt continuously. If the credits are used to temporarily keep the level of social consumption high and not for increasing the economic performance, the Fidesz will not accept further increases in debts. Using up future resources primarily limits the living conditions of the young generation, because they are only left with repaying the interest on the debts accumulated by their predecessors, while they hardly have any share of the temporary higher consumption.

Therefore, the most important task is to improve the economy's competitiveness, carry out investments aimed at creating new jobs, and conduct an economic policy that encourages saving. In addition, it is absolutely necessary to reform the system of budget redistribution and to come to a social consensus. The most important element of the latter is an agreement with the trade unions, an agreement that will make it possible to reduce inflation by at least 5 percent in one year.

From the increased economic performance resulting from the aforementioned steps, greater resources than hitherto should be allocated to prevent the final degradation of backward areas particularly affected by the crisis.

2. Although almost everyone in Hungary today feels that his living standard is lower than the one he deserves, one can nevertheless not promise an increase in the level of consumption in the short term. We only have a real chance to catch up with the developed countries if we first allocate more resources to investments that lay the foundations for a competitive performance.

All this demands that social consumption should not increase according to our wishes. This is particularly true in the situation in which both our domestic budget balance and our international balance of payments show an unparalleled deficit. The new government will receive this situation as a starting inheritance.

Only a few social groups will have the possibility to obtain greater resources than permitted by the overall economic performance through social redistribution. According to the Fidesz program, these are the young people and the young unemployed. We would support them with the increased development of education and through employment. In addition, we will pay particular attention to preserving the value of the pensions of people older than 70 and people living below the minimal wage level.

Independent Smallholders' Party [FKGP]

1. The illustrious figure of the Hungarian Democratic Forum [MDF], Mr. Lajos Fur, said the following: "The MDF succeeded in halting Hungary's fall. We stopped at the bottom of the pit." We can believe Mr. Fur. He should know. One can, at the most, argue about how deep this pit is.

The above quotation is rather cynical, but essentially we must start from a factual conclusion. Our homeland is in mortal danger! Only firm, clear, and rapid measures can help. Concretely, we should immediately put an end to the squandering of this country's property. We must create the bases of a real constitutional state. The present government kept legislating innumerable laws, laws that often contradict each other and leave legal gaps. And their economic and financial consequences are not elaborated properly. Patchwork does not lead anywhere! When building a house, one should start at the base, not at the roof.

In other words, we need a new constitution! We must determine the basic values of our society! Based on this, we must create a really pro-venture legal and economic environment that leads to economic progress. We must immediately reduce public burdens considerably in order to increase the interest of ventures and entrepreneurs. We must see to it that property relations are settled in a way acceptable to all. We must reexamine the handling of our debts, which has become almost unbearable.

We must eliminate unemployment. In the previous development phase of market economy, as a result of spontaneous manipulations partially based on certain interests, unemployment was a real economic category. This is something antiquated today, and it is unacceptable for us.

Young people should receive housing, jobs, opportunities to study, and prospects, and elderly citizens should receive an honest subsistence.

We must carry out these tasks in a rather short time, and not in the distant and foggy future. The Hungarian people should get their confidence back, a confidence that the previous governments that openly served the Russian interests and the recent post-communist government tried to rob in the past decades. We can count in months, or years at the most. The people's patience is limited! This country is in mortal danger! We must act accordingly. The FKGP has detailed programs based on exact evaluations.

2. The people were promised democracy! In reality, a monolithic power based on a hidden pact policy is increasingly emerging with an arrogance exceeding that of the previous dictatorship. Hungary's economy, culture, and society are deteriorating rapidly. From a consistent evaluation of this process, we can draw the conclusion that we are not only talking about an unbelievable dilettantism here, but also about a deliberate

destruction of this country. And all this is taking place in a way as if there were democracy here. In other words, they try to blame democracy for the infamy carried out against the Hungarian people. The FKGP wants to stop the ravages of this government. The FKGP accepts the implementation of this task and it takes upon itself to return the confidence of this nation.

It is obvious that one cannot disregard certain groups of social tasks in a society that is at the bottom of the pit. It is particularly impossible to disregard the fact that they want to break the faith of the Hungarian people in order to make them helpless and slaves.

Naturally, there can be priorities in economic life. Driving sectors are needed, but the basic conditions of development should be created in all areas of society. This is the historic task of the FKGP today.

Republic Party

1-2. The program of the Republic Party outlines three major tasks. The consolidation and subsequent stabilization of the economy presupposes the reduction of inflation. For the economic conditions to improve and become attractive for domestic and foreign investors, and for the living conditions and quality of life of the population to improve, there is a need to develop the infrastructure more rapidly than the average development. Along with this, unemployment should be reduced to an acceptable level, unemployment that causes one of the biggest shocks to Hungarian society.

Obviously, this needs a different economic policy based on a new type of distribution of the domestic income (one that will not increase after the change in the government either). Consequently, along with a gradual reorganization of the tax system and the reduction of tax burdens, we can no longer delay the reform of the large distribution systems, the budget, and state management either.

However, it is also clear that the implementation of the aforementioned major goals and the restoration of our domestic and foreign economic balance is a long-term task and requires certain deliberate compromises.

According to well-founded evaluations, a complete elimination of unemployment along with a consistent implementation of an anti-inflationary policy is not a realistic goal. Therefore, we will have to live with an unemployment rate of about 5-5.5 percent in the coming years. If we tried to force unemployment under the aforementioned level, it would become impossible to reduce inflation.

At the same time, the planned reduction of the unemployment rate limits the reduction of inflation. Thus, we can expect a lasting period of 10-15 percent inflation in the coming years. However, with such an inflation rate, there are realistic opportunities for settling and accelerating the economy.

On the other hand, it is necessary to considerable reduce over- distribution and the budget deficit. One can see today that we can only achieve economic consolidation, a venture-friendly economic environment, a better welfare network, and an improvement in the situation of pensioners (protecting the real value of pensions) if the budget deficit in the coming years is not lower or higher than 5 percent of the GDP.

With such a budget deficit, the international evaluation of the Hungarian economy can be lastingly positive, there will be no need to withdraw capital worth 150-190 billion forints from the economy, and this surplus income can contribute to the implementation of our development goals.

Liberals Act To Coordinate Party Programs

94CH0247B Budapest PESTI HIRLAP in Hungarian 21 Apr 94 p 3

[Unattributed article: "The Proposed Program of the Liberal Bloc; No Thanks Are Due for Compensation"]

[Text] The first program reconciliation within the liberal bloc is scheduled to take place on 26 April. Delegates of the four parties will discuss and reconcile disputed issues regarding education, the economy, agricultural policy, and public safety on that day, according to a statement by Agrarian Alliance spokeswoman Klara Spilak at yesterday's news conference.

The following are the members of the permanent conference committee: Balint Nagy represents the Agrarian Alliance, Tamas Fellegi represents Fidesz [Federation of Young Democrats], Csaba Csikos represents the Entrepreneurs' Party, and SZDSZ [Alliance of Free Democrats] is represented by Tamas Bauer and Balint Magyar. The SZDSZ will be in charge of presenting public safety issues, Fidesz will deal with educational issues, the Entrepreneurs' Party will present economic policy issues, and the Agrarian Alliance will be in charge of agricultural policy issues, of course. The leaders of the four parties intend to publicize accomplishments in each field before the elections.

Agrarian Alliance political campaign chief Gyorgy Fabri declared that the election struggle has not assumed a coarse tone of voice, but he objected to the fact that there was no opportunity to conduct real public debate, and he blamed primarily the public service media for that. Thereafter Fabri said that some positive changes have recently taken place in the TV-HIRADO and in various news programs. Regarding the dispute over the list of recipients of compensation, the campaign chief said that the release and use of these data was an unfortunate election trick, because the Agricultural Alliance believes that no thanks are due for compensation.

Erzsebet Schmuck, cochairman of the Green Alternative, distanced herself and her party from the Hungarian

Green Party, and reaffirmed their professional and political cooperation with the Agrarian Alliance, a member of the liberal bloc.

SZDSZ Chairman Discusses Election Prospects

AU0605102494 Budapest NEPSZABADSAG in Hungarian 5 May 94 p 6

[Interview with Gabor Kuncze, chairman of the Alliance of Free Democrats and the party's candidate for the position of prime minister, by Attila Zsoldos; place and date not given: "There Is a Chance for a Stable Coalition"]

[Text] Gabor Kuncze does not take it for granted that the parties' formulations on their coalition alliance possibilities will be of long duration. He regards these declaration as campaign tricks. In his view, the Alliance of Free Democrats [SZDSZ] cannot achieve a worse result at the elections than second place.

[Zsoldos] In view of the latest opinion polls, do you see any chance of a stable government coalition after the elections?

[Kuncze] The opinion polls reflect trends. The election results will really show the coalition possibilities. With this restriction, my opinion is that there is a chance for a stable coalition after the elections.

[Zsoldos] Mutual exclusions could be heard from various political parties during the election campaign. The Hungarian Democratic Forum [MDF] excluded the possibility of a coalition with the Hungarian Socialist Party [MSZP] and the SZDSZ under the current leadership; the MDF had a similar position regarding the Christian Democratic People's Party [KDNP]. The Federation of Young Democrats [Fidesz] rejected the idea of a government coalition with the MSZP. These are only a few examples. Have the parties not narrowed their scope too much before the elections?

[Kuncze] Most of these exclusions are not more than campaign tricks. It is not worth dealing with them too much. These positions of the current government parties show that they would like to be in the opposition after the elections. They should not be hindered in this.

[Zsoldos] In other words, you would not take it for granted that these positions will last long?

[Kuncze] I do not generally take anything for granted, particularly not political issues.

[Zsoldos] There have been conflicts between the SZDSZ and the Fidesz lately, but you said that there are no unbridgeable differences of views between the two parties. Is it true?

[Kuncze] That is true.

[Zsoldos] Do you not regard the fact that the Fidesz excludes the possibility of a coalition with the MSZP while the SZDSZ does not exclude such a possibility as such an unbridgeable difference?

[Kuncze] The SZDSZ does not exclude the possibility of coalition with any democratic party, and I do not know of any such official position on the part of the Fidesz. Viktor Orban generally speaks about this in his own name.

[Zsoldos] Among other things, the SZDSZ focused its campaign on doing everything in its power for the best possible results of the liberal bloc and on making sure that a stable government coalition will emerge after the elections. Which of these two goals do you regard as more important?

[Kuncze] I think it is important for the liberal parties to achieve good results, but it is also important that, aware of the election results, the SZDSZ should examine the possibilities of coalition agreements. It is not justified now to set up an importance list. I will know the real possibilities in a few days. Let us wait until then.

[Zsoldos] Many people say, including the government parties, that the SZDSZ might disintegrate if it forms a coalition with a strong MSZP.

[Kuncze] Who said that the SZDSZ would form a coalition with a strong MSZP? Nor did anyone say that the SZDSZ would form a coalition with the MSZP at all. At the moment, all I can say is that we should wait for the election results.

[Zsoldos] What guarantees will the SZDSZ ask in exchange for its willingness to participate in the government coalition?

[Kuncze] We have already published our position, in which we formulated the coalition guidelines in 25 points. We will stick to these guidelines.

[Zsoldos] Could it be a guarantee that, in a given circumstance, the SZDSZ will provide the prime minister?

[Kuncze] The SZDSZ is not striving to achieve good results at the elections. If our hopes come true, we will consider this. This is only natural.

SZDSZ Contradicts MSZP on Debt Issue

94CH0247A Budapest PESTI HIRLAP in Hungarian 21 Apr 94 p 3

[Unattributed article: "Statement by Alliance of Free Democrats Professionals: Insolvency Is Out of Question"]

[Text] SZDSZ [Alliance of Free Democrats] Representatives Gyula Gaal, Karoly Attila Soos, and Marton Tardos had this to say: "At a news conference on 19 April, Gyula Horn and Laszlo Bekesi (...) mentioned that a threat of insolvency exists in Hungary. We regard this supposition as unfortunate and groundless, the same way

as we regard the shrill sound of the government's success propaganda coming from the other side. The fact is that the MNB [Hungarian National Bank] is successful in floating bonds in the international market place, and this fact—indicating confidence in our country—has not been changed even by the extraordinarily grave deterioration of our international balance of payments last year. (...) There is no basis for leaders of a party that prepares itself to play a role in governance, and to direct long-term processes, to make the above-quoted, oddly pessimistic statement."

NDSZ Chairman Discusses Election Prospects

AU0605095794 Budapest PESTI HIRLAP in Hungarian 5 May 94 p 4

[Interview with National Democratic Federation Chairman Imre Pozsgay by Pal Sombathy; place and date not given: "We Are Now More Courageous in Our Political Activity"]

[Text] *In our series of interviews, head of parties that succeeded in presenting election lists are talking about their parties' programs and ideas. This time we interviewed National Democratic Federation [NDSZ] Chairman Imre Pozsgay, who said that Hungary needs a broad coalition.*

[Szombathy] When establishing your party, you called it a center party open to the left and closed to the right. What program differences lie behind this unusual definition?

[Pozsgay] Our party is characterized by greater freedom and greater political courage. We can offer society program points that others also know about but, because of the limitations of their roles and the historical precedence, they do not have the possibility of speaking about. Why, otherwise, would the Hungarian Democratic Forum [MDF] speak about a national coordination congress, a party that was forced to give up the program of constitutional national assembly? Why would a number of parties speak about debt reductions and debt diplomacy, while they were accepting the payment burdens as fate? The NDSZ did not get involved in any of these restrictions and, thus, it can be more open to various methods of treatment. We focus on values and methods, and we only accept ideological considerations when absolutely necessary. The essence of our new economic policy is that the time has come to place our national economy on a growth path and find sources necessary for economic progress. We need a new constitution that would create a consensus and unity, also in carrying out the budget and state administration reform.

[Szombathy] There are several parties that are talking about economic growth, but it seems that the issue of debt reduction is a taboo. What solutions does the NDSZ offer?

[Pozsgay] The Polish example clearly shows that it is not the changes in course that determines the opportunities of debt diplomacy. Under the ruins of the Soviet empire, we are the last who are still paying. We know the counterarguments, but this is only an excuse and a defense mostly on the part of those who have been handling this debt for the last 20 years, and their chances are connected to preserving this idcology. I consider the debt issue to be a badly treated economic policy affair. We should get rid of superstitions. At the same time, other parties promising economic growth mention new credits as the source of financing this growth. This is where we differ from them. We do not exclude the possibility of new foreign credits to the Hungarian economic development, but these credits must not appear as state debts. The country should determine the role of foreign debt, and not the other way round.

[Szombathy] How does the NDSZ's national character differ from that of the coalition and from that of other similar parties?

[Pozsgay] We do not live in the constant fear of moral danger to the nation. In our view, the community form of the accepting nation is well compatible with the conditions of modernization. Regarding the European integration institutions, the national awareness of Western European small countries like Denmark are exemplary for me. The Danes first rejected the Maastricht agreement, and then voted in favor, because their conditions of participation had been met.

[Szombathy] The MDF speaks of a leftist danger and Istvan Csurka called on the national forces to cooperate. What is your opinion of these efforts? Is the gathering of the national forces into a bloc necessary and is there any chance of restoration?

[Pozsgay] The danger of a leftist restoration does not exist. We are witnessing an information disturbance here, something understandable in a country in which the people lived through a change in the regime that took place without the people, and even against the people. However, I, myself, see a danger of revenge. I follow the appearance of people on the side of the left who should have been called to account for their deeds long ago with concern. However, this phenomenon is, to a certain extent, normal in the struggle of political forces. One should not sound the alarm because of this phenomenon, because this only increases its danger. The conditions for a national bloc are not met, because it is impossible to form a government only based on alarm. The coordination of programs failed to materialize; on the one hand, it is too early, on the other hand the alarm is late, an alarm that weakens precisely the center forces because of the distancing. Every phase of these elections must be carried out, and the lessons should be drawn after the elections.

[Szombathy] What role is your party facing after the elections?

[Pozsgay] The NDSZ will make it into Parliament, and I hope we will set up a faction. The 100,000 nomination slips gathered under an eventful campaign show that

there will be voters for the NDSZ. Many figures coming from the real sphere accepted an NDSZ candidacy. The new parliament will be a split one, with many parties present in the National Assembly. The small parties will also participate in the coalition talks. The NDSZ does not wish to form a coalition with extremist forces. According to the experience so far, the new coalition should not be based on program coordination, because this would bring inadmissible compromises and subsequent blackmail conditions into the government. It is a much better method to agree on two or three basic tasks, like working out a new economic policy for the benefit of economic growth, social policy consolidation, and a new constitution. It is not worth accepting more than that for one legislative cycle.

Electoral Committee Charge Against MDF

94CH0247C Budapest PESTI HIRLAP in Hungarian 21 Apr 94 p 3

[Unattributed article: "The Position Taken by the National Electoral Committee: The MDF Can Be Blamed Always, for Everything"]

[Text] Recently the National Electoral Committee [OVB] once again accused the MDF [Hungarian Democratic Forum] of illegal conduct because it wanted to send letters to recipients of compensation, by taking advantage of an opportunity offered by the Compensation Office. The objection filed by the SZDSZ [Alliance of Free Democrats] was supported by the opposition members of the OVB, of course.

They did so, despite the fact that not only the largest ruling party, but also Fidesz [Federation of Young Democrats] and the MSZP [Hungarian Socialist Party] purchased the list of voters participating in the 1990 elections; with respect to the letter to be sent to recipients of compensation, the Compensation Office also notified quite a few other parties, thus also the SZDSZ and the MSZP, offering the services of the Compensation Office to mail their campaign materials to recipients of compensation. Only the MDF took advantage of this offer however, and therefore the matter became the source of serious disputes.

We asked MSZP manager Andras Toth "why the MSZP condemns MDF's conduct, when nothing illegal is involved? The ruling party took advantage of an opportunity also offered to other parties, but the other parties did not take advantage of it." In his response Toth said that "The truth is that Tamas Sepsey sent a letter to us in March, offering the services of the Compensation Office in forwarding various campaign advertisements to recipients of compensation, but we regarded this offer as questionable from a legal standpoint, and as not serving our purpose, so we did not take advantage of the offer." Andras Toth added that he agreed that primarily the Compensation Office should be blamed, but the party taking advantage of an opportunity not provided for by law should be blamed for taking the action.

Insofar as the letters mailed to the 1990 voters is concerned, one should wait until a court pronounces an affirmed judgment regarding the OVB's related determination. Meanwhile, it would be appropriate for the MDF to stop mailing the letters, according to Toth, adding that the MSZP clearly viewed this as a legal, and not as a political, matter, i.e., that its objection did not amount to an attack on the ruling party.

Torgyan Views Political Scene, Elections

AU0505124994 Budapest PESTI HIRLAP in Hungarian 4 May 94 p 5

["B.A.P."-signed interview with Jozsef Torgyan, chairman of the Independent Smallholders' Party; place and date not given: "Jozsef Torgyan on National Cooperation—The FKgP Would Defeat Communism"]

[Text] We continue our series in which the list leaders of parties give interviews, with the views of Jozsef Torgyan, chairman of the Independent Smallholders' Party [FKgP].

[PESTI HIRLAP] When the Hungarian Way Circles were formed, you published a communique in your periodical, the HO NAP, that these are the FKgP's own children. However, now you will not participate in the event organized by Istvan Csurka [cochairman of the Hungarian Justice and Life Party, MIEP] which is to foster national cohesion. Why?

[Torgyan] The term Hungarian Way is the newspaper name of the FKgP's extended arm, the Hungarian Community. This community had such outstanding leaders as Balint Arany, who was an organizing secretary of our party. They fought against Nazism and later the Soviet Union. This is the reason I could not call the Hungarian Way Circles anything other than the FKgP's own children. At the same time, when the Hungarian Democratic Forum [MDF] was planned, the intention was to establish a substitute for the popular front. I am convinced that the whole peaceful process was preceded by an international agreement drawn up by the central committees of the given countries' communist parties, with the assistance of the KGB. In this structure, the role originally designed for the popular front was given to the Democratic Forum. After all this, Csurka talks about the MDF as the biggest force of national cohesion. In addition, he also invited parties like the Unified Smallholders' Party that had been sliced off from the FKgP.

[PESTI HIRLAP] You mean the United Smallholders Party?

[Torgyan] It does not make any difference, its name will be forgotten after 8 May anyway. Csurka invited the forces that are trying to divide the right wing. I think that this step can only nominally serve the goal of uniting the right wing. In real terms, it serves to draw away the FKgP's forces. It clearly has to be seen that, today, only the FKgP is able to defeat communism.

[PESTI HIRLAP] At the same time, according to the interior minister, Gyula Thurmer, the main domestic representative of communism, strengthened you.

[Torgyan] Please write it down in bold letters: The interior minister lied. If you do not print this then I will not let you print anything at all.

[PESTI HIRLAP] According to a view published in a newspaper, your role is to attack the MDF and the communists at the same time, thus opening the way for the Alliance of Free Democrats [SZDSZ].

[Torgyan] Every day I mention in my speeches that God save us from the hissing parties. The SZDSZ is a pseudo-opposition party because their main task is to preserve communism. A popular figure was placed at the SZDSZ's head to deceive people and to hide the party's real character. At the same time, we can also see clearly that Gabor Kuncze who was put there to deceive the public will soon be replaced by Gabor Fodor, who was brought in as a second man. I have to point out that they have lost their support in the provinces so, in addition to the MDF, the SZDSZ will be the other big loser of these elections. The FKgP was the only party that had the audacity to say that, rather than a change of the regime, a communist preservation had taken place in Hungary. The pseudo-democracy operated as a multiparty dictatorship. It is precisely the MDF that serves the purpose of making people learn to hate democracy.

MSZP Spokesman Attacks Fur, Orban, Szuros

94CH0248A Budapest PESTI HIRLAP in Hungarian 19 Apr 94 p 3

[Unattributed report: "Imre Szekeres on the Official Position of the Hungarian Socialist Party; Stormy Socialist Debate"]

[Text] At yesterday's Hungarian Socialist Party [MSZP] news conference, managing vice chairman Imre Szekeres announced the official socialist position regarding statements made as part of the television program A HET, and reported on what he had learned during his trip to the United States and Canada. During his visit, the vice chairman met with a number of leading government officials and businessmen, including Democratic Representative Tom Lantos, Thomas Dine, chairman of the Foreign Investment Coordination Committee, and Republican Representative Benjamin Gilman.

In his introductory remarks Imre Szekeres said that according to indications, all political parties regard the MSZP as their chief opponent, and that this is understandable because the MSZP enjoys the broadest societal support. In contrast to 1990, political parties running in the present elections will have to accept the decisions made by voters, the vice chairman stressed. He added: The MSZP intends to take the place of the present coalition government, but contrary to certain statements, this does not mean the end of democracy. Relative to the program A HET, Szekeres said that in an unprecedented manner, the chairmen of the MDF [Hungarian Democratic Forum] and of Fidesz [Federation of Young Democrats] were asked to make statements relative to the MSZP; this was done in a manner that no elected officer of the socialists could express his position. In addition, by mentioning a possible dictatorship, party chairmen Lajos Fur and Viktor Orban offended the will of voters, and took the same position as Istvan Csurka. Matyas Szuros, who is not a member of a single elected MSZP body, expressed his own views only; these are not the same as the official situation analysis of the MSZP, and besides, he had no right to judge who could, and who could not be a party member, because he enjoys no support either from the party leadership or the membership, at least insofar as his statements are concerned.

In summarizing the experience gained during his trip to the United States, Imre Szekeres emphasized that representatives of political as well as business circles told him that they had no reservations whatsoever about a possible socialist government. The socialist politician reported on the MSZP's foreign policy and economic policy goals, and on the situation that evolved in and around the Hungarian public service media. According to investors and economists, the economic situation is Hungary is extremely critical, and therefore there is a need for changes, and for a strong and effective state to resolve the problems, Szekeres said. In answering questions on anti-Semitism, the vice chairman had reassuring words to say. He made it clear that anti-Semitism in Hungary is not at all stronger than in West Europe, and that political anti-Semitism is not unmanageable either, but having said that, every means must be used to combat anti-Semitism.

Fidesz Urges Prevention of New 'Broker Scandals'

94CH0198D Budapest MAGYAR NEMZET in Hungarian 4 Mar 94 p 8

[Unattributed article: "New Broker Scandals Must Be Avoided"]

[Text] "The utilization of the surplus of financial institutions must be regulated, and this has been made especially timely by the case of the Lupis Brokerage," Lajos Kosa, parliamentary representative for Fidesz [Federation of Young Democrats] said. In this case, the state, and indirectly the citizens, suffered a loss. But this was not the first such scandal, because when the Ybl Bank went bankrupt, almost 2 million forints from budgetary institutions were lost.

In the opinion of Fidesz, the financing of the institutions cannot be regulated in such a way that they would have no surplus at all from time to time. But if they do have a surplus, it is expedient to invest it, and in such a way that the money would be in the safest possible place. In the opinion of Fidesz it would be desirable for budgetary institutions to invest only in treasury bonds and other government bonds.

Fidesz: Fees for Higher Education 'Unavoidable'

94CH0247D Budapest PESTI HIRLAP in Hungarian 21 Apr 94 p 3

[Unattributed article: "The Tuition Concept of the Federation of Young Democrats: Investment in the Future"]

[Text] The introduction of requirements to pay tuition in higher education is unavoidable, according to Fidesz [Federation of Young Democrats], but tuition should not be charged during the academic year 1994/95. Subject to gradual introduction, the amount of tuition to be charged should not exclude youths of lesser means from having an opportunity to continue their education, according to Janos Mazsu, one of the framers of Fidesz's higher education program, at the party's news conference last Thursday [14 April].

Janos Mazsu believes that the matter of charging tuition may once again become an issue because the higher education law adopted by parliament requires the introduction of tuition payments in the next academic year, and the budget law includes tuition as part of revenues to be collected by institutions of higher education. The proposed decree drafted by the Culture Ministry calls for a uniform 2,000-forint-per-month tuition after 1994, payable by students at the start of each semester. The decree would permit universities and academies to grant exemptions from under tuition payments up to 10 percent of their revenues. Fidesz, on the other hand, believes that requirements for tuition payments should be introduced gradually, and that the amount of tuition should not be determined in terms of uniform sums of money, but instead within a minimum and maximum amount of tuition determined by the state, the institutions themselves should determine the exact amount of tuition to be paid, in concurrence with the student governing bodies. Fidesz would establish a wide-ranging subsidy system for students experiencing difficulties because of the cost of living and for having to pay membership dues; the system would also provide several ways of financing, ranging from exemptions from under the payment of tuition to social welfare subsidies.

Reporting on Fidesz's foreign language concept, Zoltan Pokorni, the head of Fidesz's education cabinet, stressed that Hungary's educational system still lacked 32,000 foreign language instructors. Their number could be effectively increased by introducing an opportunity for bilevel wage negotiations, and by paying the instructors appropriate salaries, a result of which they would not be forced to abandon their careers as educators.

Constitutionality of Law on Informers Questioned

94CH0226A Budapest NEPSZAVA in Hungarian 31 Mar 94 pp 1-2

[Article by Irene Szabo: "Law on Informers: Legal Qualms; Deadline for President To Sign Expires on 2 April"]

[Text] The National Assembly introduced the bill on "the scrutiny of individuals in certain important positions," popularly called the law on informers, "in order to enhance the purity of the democratic political order," and passed it on 8 March 1992. The text of the law is on the desk of the president of the Republic, and the deadline for Arpad Goncz to make a decision concerning the law is 2 April. Constitutional lawyers informed us that constitutional and professional problems arose in connection with law No. 8955.

During the four-year term of the Hungarian National Assembly, perhaps the most and the loudest discussion surrounded the issue whether society must be purged of former secret agents, i.e., how could one filter out informers of the former regime from among individuals in important positions. The annals record two major cases: The envelope calvary of the Smallholder Jozsef Torgyan, and the case of Istvan Csurka, former vice chairman of the Hungarian Democratic Forum [MDF], currently copresident of the Hungarian Life and Truth Party [MIEP], who "made himself transparent" before the public in a way which one could call a masterstroke of dramatic art.

After the wrangle of arguments and counterarguments, in the beginning of March, parliament finally passed the III/III law, the preamble of which contains the following: "The National Assembly" acted "in order to enhance the purity of the democratic political order." The opinion arose among constitutional lawyers that the text of the law is problematic for several reasons. In their opinion, the first large group of problems concerns discrimination. Namely, Paragraph 70/A of the Constitution forbids any kind of discrimination between one person and another. The Constitutional Court explained in several decisions that one must examine in an objective and subjective context whether forbidden discrimination is present. In view of this, the law becomes a constitutional problem, because it does not apply to the entire network of secret agents, only to individuals in the network of the III/III Department.

According to experts, the selection of the group of individuals to be scrutinized presents a problem as well. For instance, the different treatment of church officials and the control of individuals employed by private employers is disputable. The problem with including universities is that in terms of the law on higher education they are regarded as autonomous public service institutions, and state-owned businesses are not even part of the political order, because in them the state is present not as a state organ, and not as an instance of the state's sovereignty, but rather as one of the owners in a market economy.

From the point of view of professionality and constitutionality it is problematic that the law places the examination in the hands of a three-member committee consisting of judges, acting not in the capacity of judges, who are allowed to utilize "any legal evidence." At the same time the process is closed, which results in the lack

of legal guarantees. It is problematic that if these are not court proceedings, how can evidence that is applicable in court proceedings be utilized in a legal way. Beyond the legal status of the members of the committee, their decision, which is actually a sentence, is also debatable. It is to be feared that objectivity will be hampered if the committee's activity is centered on the Interior Ministry, which submits the material for examination, and lawyers also consider it absurd if following the decision charges must be brought against the ministry.

The experts noted as a grave constitutional problem that the right to appeal to a court is excluded. The Constitution lists among basic human rights the right of any defendant to request that his case "be decided by a lawfully established independent and neutral court in a just and open trial." Personal rights are absolute rights. They are not subject to the statute of limitations. And if the above-mentioned committee comes to the negative conclusion that the individual under examination has a "past" which is subject to the law on informers, and orders him to resign from his office or position, then it is restricting two fundamental rights. The first one is the fundamental right of citizens to serve in a public office, or to exercise their free choice of work and profession, and the second one is the fundamental right of citizens to human dignity, and within it, to a good reputation.

Lawyers see the essential internal contradiction of the III/III law in the fact that its enforceability and practicality is debatable. Today one is justified in asking whether the lists are genuine or manipulated.

Reduction of Deficit Through Bonds Planned

94CH0198E Budapest MAGYAR NEMZET in Hungarian 4 Mar 94 p 8

[Unattributed article: "Timetable of Bond Issues; Government Bonds for 250 Billion Forints"]

[Text] According to the budget passed by parliament, this year the budget deficit is expected to be 329.56 billion forints [Ft]. The demand for financing is less than that, and the Finance Ministry wants to come up with the necessary money primarily by issuing government bonds. As the Hungarian News Agency [MTI] reports, starting in March, each month new government bonds in the value of Ft15-25 billion will be issued. The issue will generally take place in the first week of each month. As a result, this year public government bonds will be issued in the value of Ft250 billion. The law allows the issue of Ft300 billion.

Of this amount, Ft69.2 billion will be used to service credits and to renew government bonds that are due to expire. Thus, the issue of medium and long-term bonds in order to finance the deficit will amount to Ft180 billion. Starting in April, foreigners will also be eligible to buy government bonds, for forints.

The issue of treasury bonds will continue according to the previously established system. The sale of interest-bearing treasury bonds will take place in the third week of each month, after a week-long registration period, and the amount issued will depend on the demand. Treasury bonds to the population will continue to be sold by designated branch offices of the National Savings Bank [OTP] and the Budapest Bank. Issue will be determined by demand in this case, as well. Every Wednesday an auction of 30-day discount treasury bonds will be held, at which the advertised amount is expected to be Ft6-10 billion. Every other Tuesday, an auction of 90-day discount treasury bonds is planned, where the advertised amount will be Ft8-10 billion. On the last Thursday of each month, an auction of 180-day discount treasury bonds will be held, at which bonds will be offered in the value of Ft10-15 billion. Finally, every other month, on the last Friday of the given month, an auction of 360-day discount treasury bonds will be held, where Ft15 billion will be offered.

State Secretary Opposes Guarantees to Banks

94CH0219A Budapest NEPSZABADSAG in Hungarian 26 Mar 94 p 1

[Article by L.N.: "Pongracz Opposes State Guarantees to Banks"]

[Text] A mood of pogrom arose against the State Property Agency [AVU] and the State Property Management Corporation [AVRT]; the program of some politicians consists merely of attacking privatization, or rather, the two institutions, State Secretary Tibor Pongracz told MAGYAR HIRLAP.

However, he emphasized, these are not the only institutions for privatization. In his opinion, it is here that one can find the most reliable data both about the size of the property and the process of privatization. He finds it strange that no one is requesting data about the size and the fate of property in the hands of local governments, the treasury property manager, or the cooperatives. Incidentally, at its latest meeting, the board of directors of AVU decided to prepare for parliament the list of state firms privatized up to now, as requested by Zoltan Kiraly.

Tibor Pongracz drew attention to spontaneous privatization that started at the time of the previous government, and noted that in order to see clearly one should give an account to parliament and the public about that process, as well. He noted that AVU was established by the Socialists, but they never drew up a property list.

The state secretary regards privatization as a fundamental issue for the economy, and as he put it, "if politicians during the campaign turn it into a prostitute, it will be difficult to turn it into a nun in a few months."

The state secretary does not agree with the latest proposal by the board of directors of the AVRT, namely that in the second segment of providing the banks with

capital the state should supply them not with money, but with guarantees. As he said, this would lead to a process in which the banks would completely exploit the firms, drive them to ruin, and then hand in the bill to the government.

Canadian Offers To Invest in Department Store

94CH0219B Budapest NEPSZABADSAG in Hungarian 26 Mar 94 p 1

[Unattributed article: "Sarlos Claims Centrum"]

[Text] Canadian businessman Andrew Sarlos will arrive in Hungary next week and, from what we have heard, he intends to raise the 5-billion-forint [Ft] capital of the Centrum Department Store Company by more than Ft2 billion.

The present visit by Sarlos, who represents a group of Canadian investors, could have a special significance because an agreement is expected to be reached within a few weeks between the State Property Agency and the department store chain. As is well known, the mbo [management buy-out] and mrp [worker share program] organization is going to buy 51 percent of the shares in the value of Ft2.5 billion.

The investors had several alternatives to come up with the necessary amount. Of these, the leadership of the Centrum mrp-mbo organization accepted a version which was familiar to many people: They will take out a business loan in the amount of Ft1.3 billion from the Bank of Commerce, and they intend to pay for the remaining Ft1.2 billion with compensation vouchers and cash. According to the present state of affairs, cash in the amount of Ft420 million was collected, and the employees intend to buy shares for compensation vouchers in the value of Ft756 million.

The employees can receive dividends only after the debt is repaid, which, in an extreme case, can take as long as 18 years, we learned from Gyula Galla, trade union secretary of the Centrum Department Store Company. Since Hungarian law at the present does not allow the payment of dividends as long as the business has outstanding debts, Centrum will not be able to pay dividends until it has paid back its loans. This means that there is a chance that the approximately 4,000 employees who will obtain property through privatization will have no access to profit from the company's operation for 18 years. At the same time, they cannot sell the company's shares as long as there is a debt.

Galla emphasized that they do not plan to downsize in the long run.

Strikes Continuing; Negotiations Stalled

Solidarity 'Ultimatum'

LD0505114794 Warsaw PAP in Polish 1024 GMT 5 May 94

[Text] Warsaw, 5 May—In a telephone conversation with a reporter from Polish Radio Three on Thursday, Zygmunt Wrzodak, head of Solidarity in the Ursus tractor factory, said that one should not hold talks with the present government but should form strong structures attached to the Solidarity National Commission, which will form an interim government in the future.

"The government has to be given an ultimatum: If it wants to talk, then it should sit at the table and negotiate and fix some dates for things to be solved. If not, then we have to remove those people from the government and replace this government with an interim one," he said.

According to Wrzodak, this is the opinion of a few people from factory commissions in Mazowsze region, but the Solidarity National Commission should make a decision. In his opinion, all strikes should be clearly and properly coordinated.

Walesa Sees Threat to State

LD0605085494 Warsaw Radio Warszawa Network in Polish 0700 GMT 6 May 94

[Text] Presidential Spokesman Andrzej Drzycimski has said that, according to President Lech Walesa, the current wave of strikes may hinder the functioning of the state. The president thinks that serious negotiations between the government and trade unionists should prevent any further strikes or stop them altogether.

[Begin Drzycimski recording] This strike, which is beginning to affect key security industries, is a threat not only to a particular industry but also to the whole state. That is why the president is saying that one must consider whether all of the industries should strike when this could bring a halt to the whole country. This strike is not aimed at changing political power but at finding economic solutions. The president thinks that, in such a situation, the talks must be continued because nothing can happen without them. [end recording]

[Announcer] Andrzej Drzycimki said that the president has not yet decided on the excess wage increase tax [neopopiwek] law because he has received contradictory opinions on this regulation. Lech Walesa thinks that opponents as well as supporters of the excess wage increase tax have very valid arguments. [passage omitted]

NSZZ Spokesman Comments

LD0605100494 Warsaw PAP in Polish 0846 GMT 6 May 94

[Excerpts] Katowice, 6 May—Adam Jawor, spokesman for the Independent Self-Governing Trade Union [NSZZ] Solidarity Mining and Power Secretariat, said that the 5 May warning strike in some railway stations in the Silesian State Railway District ended last night. According to the State Hard-Coal Agency, 9,828 miners in 19 mines are continuing to strike during the morning shift on 6 May. [passage omitted]

Jawor said that on 6 May the strike continued in 22 hard-coal mines and in three zinc and lead mines that form the Boleslaw Mining and Metallurgical Enterprise in Bukowno near Olkusz. [passage omitted]

Pawlak Confers With U.S. Trade Secretary Brown

LD0505184894 Warsaw PAP in Polish 1642 GMT 5 May 94

[Text] Warsaw, 5 May—Following today's meeting with U.S. Trade Secretary Ronald Brown, Prime Minister Waldemar Pawlak said that he hopes better conditions for full economic cooperation between Poland and the United States will be created. The prime minister stressed that the best way for meeting Poland's obligations toward the United States is the development of trade between the two countries.

Brown described the talk with the prime minister as constructive. "We spoke about how trade and investment cooperation between Poland and the United States could be expanded," he said.

Senate Speaker on Political Infighting

PM0605082594 Opole NOWA TRYBUNA OPOLSKA in Polish 28 Apr 94 p 4

[Interview with Adam Struzik, speaker of the Senate of the Polish Republic, by correspondent Anna Fastnacht-Stupnicka; place and date not given]

[Text] [Fastnacht-Stupnicka] Before the latest parliamentary election, there was talk in the Polish Peasant Party [PSL] about dissolving the Senate.

[Struzik] To be more precise, the talk was about the need to transform the Senate into a parliamentary chamber representing local self-government structures.

[Fastnacht-Stupnicka] The debate on this subject has died down now. Do you view it differently these days?

[Struzik] The debate has not died down, and I have to answer this particular question at least once every few days. We recently organized a conference on local self-government for parish aldermen, city mayors, and PSL deputies. At the end of the conference, our deputies issued a resolution declaring that we would strive to transform the Senate into a chamber representing local self-government. The simplest way to do this is to introduce a provision into the electoral law enabling local self-government representatives to run for the Senate in parliamentary elections. It is not difficult to do, but we are currently preparing for a constitutional

debate, which should take place soon, and to decide whether we want to have a two-chamber parliament.

[Fastnacht-Stupnicka] What position will you take in that debate?

[Struzik] I am in favor of the second chamber representing local self-government structures while retaining its present constitutional rights. I believe that, in this way, we could ensure that local self-government structures exert real influence on the legislative process in our country.

[Fastnacht-Stupnicka] Minister Miller said recently: "The reason we have our own senators in the Senate is to enable them to weaken that body from within." Have you yourself seen any evidence of such action on the part of senators representing the Democratic Left Alliance [SLD] group?

[Struzik] Not only have I not seen any such evidence, I actually witnessed the extreme indignation with which SLD senators reacted to Mr. Miller's utterance. Indeed, they chose to distance themselves from his words. I must say that the 37 SLD senators are far from idle in the Senate. Their contribution to its work is most valuable and useful.

[Fastnacht-Stupnicka] The Senate kept out of the latest conflict between the Belweder and the government coalition. It could even be said that you took a position at some distance from the fray and only watched and waited for its outcome—with you yourself, as Senate speaker, acting as the principal observer.

[Struzik] This was to some extent the result of the fact that the political climate in the Senate is slightly more moderate than in the Sejm. As far as this particular case was concerned, I applied my own personal philosophy as a politician.

[Fastnacht-Stupnicka] Could you disclose its principles to us?

[Struzik] First, I am pragmatic as a politician; second, I believe in keeping calm and maintaining a commonsense attitude. The conflict in question erupted very rapidly, and, when the president stated that he would aim for dissolution of parliament, I declared unequivocally that, as Senate speaker, I could and would not acknowledge or approve any decisions by the president tantamount to a breach of the laws in force.

[Fastnacht-Stupnicka] Does this mean that you were prepared to ignore the president's decision and carry on with the Senate sessions?

[Struzik] It means precisely that. Unless, of course, I was interned.

[Fastnacht-Stupnicka] How do you assess the present political situation—the continuous arguments between the government coalition and the Belweder, and the balancing act performed by Prime Minister Pawlak between the coalition and the president?

[Struzik] Well, you see, politics is like a game of chess—indeed—like a major "simultaneous" game because it is often played on several boards at once. People should really appreciate this. For many decades, Polish society, including—and I trust you are not going to take offense here—journalistic circles, was trained to take a unanimous view over virtually everything. But then an unprecedented condition of democracy erupted among us, and everyone felt free to quarrel with everyone else. Now we are making slow progress toward a more normal state of affairs, and, in my opinion, we must learn to distinguish between real problems that we must solve and certain stratagems typical of the political game.

[Fastnacht-Stupnicka] Society take a very critical view of these games. Opinion polls among our readers demonstrate that people are not even remotely interested in the warfare going on "at the top"; worse, they are getting impatient with them. They are interested in their daily lives, and they do not wish to be pawns that are forever moved about on the political chessboard.

[Struzik] We must understand that, too. However, to do this, we must first change our mentality and abandon for good the accustomed way of picturing the people who run the country as "them," as opposed to "us." After all, we had a democratic election, and it is the representatives of the people who are running things now. Just as society is varied in its political views, so are its representatives varied in theirs. They must be able to articulate these views. The only thing we must ensure is that the end result of their disputes is constructive and not destructive.

[Fastnacht-Stupnicka] I believe that these disputes would not annoy us so much if we had a stable economic situation. As it is, however, all the time and energies of these representatives of the people are wasted on mutual struggles and skirmishes instead of being usefully engaged in sorting out the country's problems. That is something the voters can be justifiably resentful about.

[Struzik] I would not agree with this view because we have recorded regular economic growth over the first three months of this year, inflation is lower than expected, and our debts have been reduced through the assistance of the Paris Club and the London Club. We neither notice nor appreciate these changes properly. It is true that there are still areas in which political quarrels abound, but the people will be able to assess these properly when the next election comes along. Please note that those who expressed extreme views in the previous elections have been effectively prevented from running again.

[Fastnacht-Stupnicka] Mr. Speaker, are you not afraid that, once a compromise is reached between the president and the SLD, the position of the latter will be strengthened, and the PSL with Prime Minister Pawlak will be pushed aside and forced to take a back seat?

[Struzik] Oddly enough, it so happens that the position attributed to the PSL is either confrontation with the Belweder or collaboration with the president and opposition to the SLD. You yourself have been influenced by this way of viewing its position.

[Fastnacht-Stupnicka] Is it not a correct viewpoint?

[Struzik] No. Let us look at it from a different perspective: The PSL is a sovereign party of a typically center position, a party of common sense and the middle way. It has a chance of developing into a large and very strong party of a Christian democratic type. Therefore, we cannot assume a unanimous position with the SLD: It has different roots. I will not deny that a minor game of chess is being played here, too, but it is not a question of who can cheat the opponent better. Rather, it is a question of different outlooks.

[Fastnacht-Stupnicka] If I understand you correctly, your party is at the moment forced by circumstances to exist in coalition with the SLD, but you are doing everything in your power to stop the public from identifying you with the Alliance and, instead, treat you as a separate, independent force.

[Struzik] I would not draw such far-reaching conclusions. I would rather say that things are the other way round: The PSL can function just as well in a center-left as in a center-right configuration. My view is that it is not the PSL that is forced by circumstances to exist within a coalition. In the previous arrangement of power and political forces, we actually functioned in opposition. That was our situation for a short while under the Olszewski government.

[Fastnacht-Stupnicka] But now you are in power, and, if you want to keep it, you can only achieve this in coalition with the SLD.

[Struzik] I think that neither of our two political groups has any alternative. On this point I would agree with you: The coalition is, in a sense, dictated by necessity. We talk of building a democratic system in Poland, introducing changes in the economy, or promulgating a new constitution: But we can only do it if and when we have a definite majority in the Sejm and the Senate.

[Fastnacht-Stupnicka] Mr. Speaker, during a press conference in Opole, you said that Poland now faces a major opportunity, but we must want to take advantage of it.

[Struzik] If I did not feel and believe this very deeply, I could not be discharging my present function. I often play host to representatives of major Western firms, I receive ambassadors and heads of state, and they speak of the changes they see in Poland now, the perceptible progress, the building of a democratic system, the transformations in the economy. Apart from this, we are now, after many years, a free country again: We can realize our own destiny.

[Fastnacht-Stupnicka] Do you not get the impression that our public has been a bit too quick to forget that we have regained our freedom?

[Struzik] Yes, it has forgotten. Just as it has forgotten what democracy means. Some say we could do with an "iron fist" rule now. This is not true. Have they already forgotten the days when they could not say what they thought? They could only think it and curse the reality in silence. However, you cannot maintain that the past was all grim and black. Many of us gained our education in those times; we built roads, hospitals, and universities. We must judge reality fairly and objectively.

[Fastnacht-Stupnicka] What will the PSL promise its voters before the local self-government elections?

[Struzik] First of all that there is a good chance that the needs of their local communities will be met and that they will have exactly as much as they are prepared to do themselves. What can we promise them? Instead of promising them things, we will rather speak of administering Poland together, of the fact that it is perfectly possible to assume responsibility for their parishes—that is, their "little homelands"—and change them for the better.

[Fastnacht-Stupnicka] Thank you for talking to us.

Daily Views Government-Media Relations

WS0505120094 Warsaw RZECZPOSPOLITA in Polish 5 May 94 p 2

[Article by E.Cz. and E.K.: "Government Versus Media; Everyone Bad, Television the Worst"]

[Text] The most recent conflict between the prime minister and television has been the classic example of a case that, by virtue of the law, should be handled by the National Council of Radio and Television [KRRiT]. The council has already expressed its desire to deal with the issue; it has been in a state of alert for a week. However, none of the parties of the conflict have requested it to take a stand. Therefore, KRRiT itself asked Waldemar Pawlak whether the fragment of his Sejm speech, in which he criticized the mass media and accused them of censuring government communiques, might be treated as an official complaint. If so, KRRiT will look into the conflict and assess who was right.

Who Has the Right To Criticize

Relations between the government and the media are based on strange principles. The government, via its Press Office, informs only about whatever it wants, and it often evades journalists' questions. For example, a day before the general strike of Solidarity, instead of hearing a commentary, journalists were sent from one minister to another, from a minister to the prime minister, from the prime minister to the communique, which was finally signed by the director of the Government Press Office. Such policy is facilitated by the lack of a press

spokesman. It is not the spokesman but the ministers themselves that should represent their policy, Minister Michal Strak stated in the Sejm. At the same time, the government wants the media to issue information about everything it does, regardless of the gravity of the matters, statements, visits. Prime Minister Waldemar Pawlak has several times voiced his dissatisfaction with the fact that his speeches are not published in their entirety, that the television broadcasts only brief summaries of events concerning him. In important situations, when asked about a comment, he himself evades answers.

Luckily, There Is Television

For some time now, the attack on the media has been stronger; politicians have been complaining mostly about the television. Minister Michal Strak keeps asking for special "windows" for the government, for Labor Minister Leszek Miller, who, when he took over the office, officially gave up the television succession from Jacek Kuron. Right now, he is discussing this matter with Television President Wieslaw Walendziak by mail. The television president agrees to prepare jointly the programs concerning the most important issues related to social policy; however, he consistently refuses to grant any "windows" to politicians.

The most resounding conflict so far has been the one between the prime minister and "Wiadomosci" over the reading of the entire governmental communique concerning the strikes. The television employees admit that the government is exerting the greatest pressure on information programs. As for public affairs programs in the first program of the television, including the "Bilans" ["Balance"] program, the Government Press Office is for the time being submitting merely remarks. Walendziak's Adviser Rafal Matyja admits that political pressure on the television is quite frequent, but its directors do not want to publicize this. Most of it can be handled by the television itself. Only the most serious pressure, exerted most brutally, leaks outside.

KRRiT member Andrzej Zarebski concedes that, as a result of the recent tensions around the television, KRRiT must "again lean over" the provisions of the law on radio and television that pertain to the possibility of making it possible to "the chief organs of the state to present directly and explain the state policy on the radio and television." This may alter the content of the KRRiT disposition in this matter, which has been prepared but not yet announced.

The pressure has not so far been exerted to the still state-owned Polish Press Agency [PAP]. The PAP journalists say: Luckily, there is the television. The various governments, except for the Olszewski Cabinet, understood that this is only an information agency.

Hand in Hand

It is hard to tell whether there is a joint information policy of the coalition. Both the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] have their own vision and experience in contacts with the media. They only go "hand in hand" as far as criticizing the media, especially the television, is concerned. Not long ago, Aleksander Kwasniewski admitted that a lot more is being written about the left than a year ago, which is understandable. "However, if anyone thinks that this is because of well-wishing, he is naive," Kwasniewski believes. However, he calls this attitude of the media toward the left a constant element of the political game. Criticism became stronger as reports on the Solidarity strikes appeared. The coalition politicians unanimously accuse journalists of heating the strike atmosphere. As usual, television receives the greatest rap on the knuckles.

The PSL, which does not have a daily or a major weekly and which has always complained about the negative attitude of the media toward them, hoped to improve this image when it came to power. The SLD, which can always count on TRYBUNA, has not so far turned it into a source of solid, firsthand information. It seems that its politicians are more interested in the image presented in media other than TRYBUNA.

The PSL, apart from complaints of a purely political nature, is also criticizing the programs of the television Agricultural Section. PSL Deputy President Franciszek Stafaniuk complained in a letter to the television directors that the journalists present the arguments of the consumers, not of the peasants, that they are not propeasant, and, finally, that they devote too much attention to general information instead of typically agricultural affairs. Politicians, on the other hand, are trying to see to it that such people and not others are invited to the studio. Agricultural Section Director Leszek Spalinski admits that the source of the differences between his team and part of the PSL is the outlook on the future of agriculture. The team is in favor of changes, transformations of the structure of the rural areas, while some of the PSL politicians want to maintain the status quo.

Search Within a Small Circle

Rafal Matyja believes that, among such conflicts, the model of public television and its relation with the world of politics is being created. The definition and the role of public television in a democratic state will be the subject of a seminar that is scheduled for Friday [6 May]. Participating in the seminar will be members of the Board of Directors and the Supervisory Board of the television and KRRiT members. Journalists will not participate.

Kolodko Addresses East-West Business Forum

LD0505133794 Warsaw PAP in Polish 0954 GMT 5 May 94

[Text] Warsaw, 5 May (PAP)—Deputy Prime Minister [and finance minister] Grzegorz Kolodko today assured business representatives from 17 countries taking part in the East-West Business Forum in Warsaw that Poland has had quite good economic results and the economy has good prospects for further development.

Kolodko stressed that reforms in Poland are running on four tracks, but the main aim is the liberalization of the Polish economy supported by privatization. "We must bring the Polish economy from stabilization to economic growth. The hard work of society, the wise economic policy of the governing circles, and promotion of the habit of saving to increase the means for investment are necessary to achieve this aim. There cannot be a good market economy without a wise and stable economic policy, which the coalition government is set to develop and to build a good environment for doing business," Kolodko said.

Changes in Supreme Defense Structures Viewed

WS0505120194 Warsaw GAZETA WYBORCZA in Polish 5 May 94 p 2

[Article by Pawel Wronski: "MON Proposals—Calls for a Commander"]

[Text] *According to National Defense Minister Piotr Kolodziejczyk, the Polish Army needs a chief commander. He does not know whether the commander will be subordinated to the Ministry of National Defense [MON] or directly to the president. Yesterday, the government adopted a draft of changes in the Army prepared by MON.*

The document entitled "Defense Problems and Military Aspects of the Polish Republic's Security Policies" was debated by the government during a secret meeting with the participation of President Lech Walesa and General Tadeusz Wilecki, chief of the General Staff. After it is approved by the president and the Council of Ministers, the draft will be submitted to the Sejm before the end of May.

What Kind of Commander?

The draft says that the civilian defense minister will cease being the Army's direct commander. A post of chief commander will be established who will be responsible for training and mobilization. He is supposed to be in charge of land forces, air forces, the Navy, and the General Staff.

It is not known whether the chief commander will be subordinated directly to the president or to the defense minister. Minister Kolodziejczyk did not hide the fact that the problem is of constitutional importance. "We leave the resolution of this issue up to the politicians," he said.

According to Kolodziejczyk, the Sejm will find it easier to approve the version under which the chief commander would be subordinated to the minister. If the commander were to be subordinated to the president, one would have to include that function in the Constitution and make the commander responsible for the Army's combat readiness. "The coalition will not agree to tinkering with the Small Constitution while a 'big constitution' is still not in place," the MON chief explained to journalists.

Up to now, it has seemed that the Belweder has striven to have direct supervision over the Army and that the minister supports these plans. But Minister Kolodziejczyk said yesterday that the president's position on this issue is "very pragmatic." "He is eager to establish the kind of system of commanding the Army that would contain a safeguard protecting against destabilization and sudden political changes," Kolodziejczyk added. As an example, he cited the year 1992, when a conflict occurred between the president and Minister Jan Parys.

"So the point is for the president to have supervision over the chief commander?" asked confused journalists. "My understanding was the opposite of that," Kolodziejczyk replied.

What Kind of Guard?

The Belweder-promoted idea of establishing a National Security Council as the chief organ of state security has been postponed indefinitely. The argument was that, as Kolodziejczyk explained it, one would have to "tinker with the Constitution."

Instead, the MON draft envisages the establishment of a National Guard, of which the basis would be formed by several thousand troops of the Internal Affairs Ministry's Nadwislanskie Units. But the guard would be subordinated not to the president, as the Belvedere wanted, but to civilian defense (that is, to MON) and would provide assistance during natural disasters, among others.

What Kind of Army?

The document contains a list of legal acts concerning the Army, which the Sejm should adopt in the immediate future, as well as a report on the Army's technical condition. According to the minister, the Army's technical condition is "dangerous," and Poland may lose its credibility. "Shortly, nobody will simply appreciate us as a partner," the minister warned.

Redman, Izetbegovic on Contact Group Talks

LD0505230394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 5 May 94

[Text] The contact group this evening held talks with Presidency President Alija Izetbegovic, Presidency member Ejup Ganic, and Prime Minister Haris Silajdzic. The contact group arrived in Sarajevo at around 2100, following talks with the aggressor Serb side in Pale. Members of the contact group comprising representatives of the United States, Russia, the European Union, Germany, Great Britain, and the United Nations will be staying in our country over the next two days.

Following the talks at the Presidency, U.S. President Clinton's special envoy Charles Redman said: We conducted exhaustive and serious talks this evening, and we heard the views of all the participants. Our job now is to study all these ideas and choose those that we will present to our governments and ministers, who will be meeting next week.

Let us now hear what Bosnia-Herzegovina Presidency President Alija Izetbegovic said after the talks with the contact group for Bosnia-Herzegovina:

[Begin Izetbegovic recording] We [word indistinct] told the contact group that, in our opinion, the prospects for peace have become more remote compared to the situation of 20 days ago. We believe that the behavior of UN officials—especially Mr. Akashi—has ruined the chances of a speedy restoration of peace that was (?in the offing). In fact, we have noticed that UN officials—certain officials and especially Mr. Akashi—do not honor UN decisions, and the Serb side does not heed them because they do not respect their own resolutions.

That was obvious in the case of Sarajevo, and especially [passage indistinct] where heavy artillery is still within a 20 km range. Especially, (?you know about) the incident today, an absurd incident when UNPROFOR [UN Protection Forces] helped chetnik tanks cross the Sarajevo exclusion zone to a new position in order to be able to attack us tomorrow in [word indistinct]. As you know, that was the reason why we demanded Mr. Akashi's resignation, because our government can no longer cooperate with him after all these major mistakes that, let me repeat, we believe have ruined the realistic chances of a speedy restoration of peace.

Of course, we stressed once again to the working group—whose efforts we respect because they have come with the best intentions to do what they can here—we repeated that the conditions for peace are very simple: the preservation of a sovereign Bosnia-Herzegovina, that is, the preservation of its external borders and the return of the occupied areas. We want peace to be restored, and we are therefore open to negotiations under the conditions I have just stated. We do not deny the possibility to restore peace, and we are in favor of it. [end recording]

Serb Leaders Meet With Contact Group

LD0505204194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1925 GMT 5 May 94

[Text] Pale, 5 May (TANJUG)—Representatives of the international "contact group" for former Bosnia-Herzegovina this evening wound up a second round of talks with the leadership of the republic of Srpska. Members of the group talked to republic of Srpska president Radovan Karadzic and assembly president Momcilo Krajisnik. Following the meeting the participants briefly talked with reporters, without disclosing any details.

"We talked with Mr. Karadzic and his team and now we are first going to Sarajevo and then to our capitals to report on the results of the talks," said French diplomat Jacques-Alain de Sedouy, the representative of the European Union in the contact group. Asked about the specific results of today's meeting, de Sedouy replied that the group's members would submit a report about this to their governments. Republic of Srpska assembly president Momcilo Krajisnik said that the day is still far away when it will be possible to express optimism, but he stressed that today's talks were "very useful."

"We exchanged opinions and proposals, and these issues certainly deserve a thorough debate. The leadership of the republic of Srpska will have detailed consultations about all issues. We still believe that the talks is a way to find a solution to the crisis in former Bosnia-Herzegovina," Krajisnik said.

The contact group, which is trying to revive the peace process for former Bosnia-Herzegovina in Pale, consists of U.S. envoy Charles Redman, Russian envoy Aleksey Nikiforov, European Union representative de Sedouy, UN representative Paul Saso, Germany's Michael Steiner, and Great Britain's David Manning.

Delegates To Attend Implementation Talks Chosen

AU0505143294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 May 94

[Text] The chairman of the Bosnia-Herzegovina Constituent Assembly and the chairmen of the caucuses of the parliamentary parties in the Constituent Assembly held a meeting yesterday in Sarajevo and discussed the activities and the tasks of the Constituent Assembly in the implementation of the Constitution of the Federation of Bosnia-Herzegovina.

The decision was made to include representatives of the parliamentary parties at the talks concerning the implementation of the Federation Constitution that will be held in Vienna. It was also decided that the Bosniak delegation will consist of Haris Silajdzic, Ejup Ganic, Nijaz Durakovic, and Edhem Bicakcic, while the delegation of the Croatian people will consist of Ivo Komsic, Mariofil Ljubic, and Vlado Pandzic.

Bosnian Officials Said Obstructing Agreement

LD0505142194 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 5 May 94

[Text] The presidential council of the Croat republic of Herceg-Bosna confirmed today that talks between Croat and Bosnian Muslim representatives will resume in Vienna Saturday. They will talk about the implementation of the Washington agreement. Zdenko Vranjes reports from Mostar:

[Vranjes] They will talk about territorial demarcation and the appointment of top-level officials in the Bosnia-Herzegovina federation, the Presidential Council announced. The delegation of Bosnia-Herzegovina Croats at the talks will include Kresimir Zubak, president of the Presidential Council; Mile Akmadzic, minister for interrepublican cooperation of the Croat republic of Herzeg-Bosna; Zoran Buntic, chairman of the Legislative Council; and Ante Markotic, head of the expert commission for cantonal demarcation and formulation of the principles of the federation's territorial organization.

Kresimir Zubak sent a letter to Haris Silajdzic. In it he tells Silajdzic that the Bosnian representatives from Vares municipality on the subcommittee for implementation of the Washington agreement are obstructing implementation of the agreement in this area. Zubak demands that Silajdzic exert his influence on the Bosnian side so that they, too, will implement the agreement at municipal level.

Army General Issues Statement on Agreement

AU0505190994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 5 May 94

[Text] Concerning yesterday's passage by two chetnik tanks on the Pale-Mt. Trebevic-Trnovo direction with the permission of and escorted by the UN Protection Force, Brigadier General Vahid Karavelic, commander of the 1st Corps, has issued the following statement. It reads as follows:

At the news conference General Rose said that this had been agreed between Akashi and war criminal Karadzic, and did not represent a violation of the cease-fire. The chetniks said that our offensive activities were in preparation on the Mt. Igman and Mt. Bjelasnica fronts and were therefore asking for permission to transfer the tanks.

[word indistinct] says that the chetniks could engage on these fronts forces of the strength of one division in order to divert the attention of the international public from the concentration of manpower and equipment around Brcko and Olovo.

Today at 1530 the chetniks issued orders to all the units in Trnovo to be at full combat readiness. This is said in the statement by Brigadier General Vahid Karavelic.

Croats: Tudjman Supporters Obstruct Accord

LD0505152294 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 5 May 94

[Text] While Kresimir Zubak was blaming the Muslim-Bosniak side for obstructing the Washington agreement, representatives of the Croat National Council [HNV] of Bosnia-Herzegovina stressed today at a news conference in Zagreb that the [Washington] agreement is being obstructed by those who have so far pursued the HDZ's [Croatian Democratic Union] policy toward Bosnia-Herzegovina. Bosiljka Bucan reports.

[Bucan] As the HNV was one of the original initiators of the Washington agreement, it is our desire to have it materialized as soon as possible, [Franciscan] Brother Luka Markesic said on behalf of the HNV. He went on to explain this.

[Begin Markesic recording] The Washington agreement is the true articulation of the political will of the Croatian people in Bosnia-Herzegovina. It is a realistic political alternative to the carving up of Bosnia-Herzegovina, the war and ethnic cleansing there, the so-called humane resettlement, and the persecution of people. This is, after all, common knowledge.

This is why this agreement was welcomed with so much joy and why our people have immediately embraced it. I can really speak for our people as a whole. [end recording]

[Bucan] Yet, Brother Luka Markesic added, we are coming across attempts to obstruct it. This is why we believe that it cannot be implemented by those same people who until yesterday opposed the unity of Croats and Muslim-Bosniaks and an indivisible and united Bosnia-Herzegovina. In this sense, he sharply criticized the HDZ leadership of this republic.

Speaking about some other issues raised at the conference, he mentioned Bosanska Posavina and the Serb corridor through this area.

[Begin Markesic recording] We want once again to express our determination and resolve to oppose the corridor through Bosanska Posavina. [end recording]

[Bucan] Our reasoning is simple. The corridor only supports the materialization of greater-Serbian policies. Brother Luka Markesic also said there is only symbolic care for the return of refugees. He therefore demanded that the HNV's work and activities be given more coverage in the Croat media.

Croatian Official Views Federation Agreement

AU0605080594 Zagreb VJESNIK in Serbo-Croatian 30 Apr 94 p 20

[Interview with Mile Akmadzic, minister for interrepublican cooperation and interethnic relations in the government of the Croatian republic of Herzeg-Bosna and

vice president of the Croatian Democratic Community of Bosnia-Herzegovina, by Ivan Sabic; place and date not given: "Talks Are Running Quite Successfully"]

[Text] Mile Akmadzic, minister for interrepublican cooperation and interethnic relations in the government of the Croatian republic of Herzeg-Bosna and vice president of the Croatian Democratic Community [HDZ] of Bosnia-Herzegovina, is quite an interesting person to interview at present because he is one of the participants in the Croatian-Bosniak negotiations on the implementation of the federal constitution, which, despite initial optimism, are not proceeding at the planned pace. Hence our first question.

[Sabic] Is the Washington Agreement perhaps being sabotaged?

[Akmadzic] It is obvious that we will not be able to meet all the envisaged deadlines, but I do not think that the Washington Agreement is being sabotaged. There are simply still too large differences in the views on some issues and we need time to bring these views closer.

[Sabic] Why has the Bosniak side persisted with the nomination of Alija Izetbegovic, even after the Croatian side made a major concession by withdrawing the nomination of Mr. Zubak?

[Akmadzic] The Bosniaks hold the view that because their people have experienced the greatest suffering, they have the moral right to have their man as the head of the federation first. They claim that Mr. Izetbegovic enjoy enormous trust among his people, while our argument is that his second term of office had already expired in 1992 and that, according to the rotation system, it is now the turn of a Croat, and that since the setting up of the Presidency of Bosnia-Herzegovina in 1974, the Croats have held this post for only three years. In our view. Mr. Izetbegovic also bears certain political responsibility for the people's lack of readiness to defend Bosnia-Herzegovina. I nevertheless believe that reason will prevail, that both sides will still think it over and that we will reach an agreement.

We Need To Create a Climate of Trust

[Sabic] Nevertheless, some things appear to have been agreed on successfully.

[Akmadzic] The talks are actually running quite successfully. We have achieved peace, people are moving freely, we have reached a very important agreement of the government of the future federation, on the ministries and departments that will work for the government. We have also reached agreements on regulating imports and exports, the transit of goods within the federation, setting up of telecommunication links, and the supply of electric power. Prisoners have been exchanged. True, there are still a number of misunderstandings, but these are gradually being eliminated. We have agreed on the pace of return of the refugees and the evicted and displaced persons. The election of the leading people of the federation is the key issue, because it encroaches directly on the equality of the peoples. However, I think that it is more important at present to talk about what we have achieved. We need to create a climate of trust, as stipulated by the joint declaration that was signed by Presidents Tudjman and Izetbegovic in September last year.

[Sabic] It is often said that an agreement on the leaders cannot be achieved without the intervention of the representatives of the United States, without those who mediated in the signing of the agreement?

[Akmadzic] I do no think that we will be forced to seek the help of the United States or anyone else to solve the leadership issue. We simply must resolve this ourselves. The issue of electing the first president of the federation is difficult, but once this has been resolved, the rest will be considerably easier.

[Sabic] What are the arguments of the Bosniak side against the election of Mr. Zubak?

[Akmadzic] The Bosniak side is presenting arguments in favor of its candidate, but is not interfering in the nomination of our candidate. This is what was agreed in principle and applies to all candidates. Therefore, the Bosniak side has not presented any arguments against Mr. Zubak personally.

[Sabic] The statements made by some Bosniak officials give the impression that, despite the fact that the constitution of the federation is very clear, an attempt is being made to secure some advantage for the more numerous nation.

[Akmadzic] The constitution of the federation does not go into the size of individual nations. We do know that the Muslim nation is considerably more numerous and therefore we do not demand parity at all levels, but only in the leadership, where the equality of the peoples is reflected. The size of the nation "argument" has appeared among the Bosniaks, but this has never affected the talks directly. The United Nations does not recognize factors such as the size of a nation nor the size of a country.

[Sabic] There are some fears in the public that the agreement could be seriously affected as a whole if no agreement is reached on the leader of the future state. Was there any indication of that during the talks?

[Akmadzic] So far, the agreement and the implementation of the federal constitution have never been brought into question for a minute. We have some objections regarding the release of prisoners, we demand greater flexibility in the election of leading people, we demand that the media campaign calm down, especially in Mostar, and we demand that they themselves remove those individuals who are against the constitution. I think that in this respect we are making more resolute moves than the Bosniaks.

Ethnic Criterion Is Main, But Not Only Criterion

[Sabic] Regarding the removal of the individuals who oppose the constitution, one should also mention that the Bosniak side claims that in the Croatian leadership there are those who are responsible for crimes and that they cannot be involved in the implementation of the agreement.

[Akmadzic] We agreed that the representatives of both nations, each one in its own house, clear this problem, that we do not accuse each other, and then, when we finish this, see what to do next.

[Sabic] Is this agreement respected?

[Akmadzic] Yes, it is at present. However, neither side has carried out the necessary investigation as yet, and therefore we do not have enough information of the conduct of responsible persons at all levels, but know what the situation is in the leadership.

[Sabic] How is the work on setting up cantons going on? There is a mention of great opposition by the Bosniak side to the cantons being based on the ethnic criterion?

[Akmadzic] The federal constitution clearly states that the federation will be made up of federal units and that these units will not bear national attributes in their names. The federal law will regulate the methods and ways of determining cantonal borders, whereby the ethnic criterion will be the main, but not the only criterion. We have already asked our representatives in the expert team to establish detailed criteria. At our recent meeting in Sarajevo we jointly concluded that this work should be speeded up.

[Sabic] In some parts of the free territory of Bosnia-Herzegovina, such as Mostar and Travnik, there are a large number of Muslims who were expelled from the parts of Bosnia-Herzegovina currently occupied by the Serbs. Will their presence have any influence on the borders of the cantons. They are not foreign citizens and many of them have been issued personal documents in these new places of abode.

[Akmadzic] The constitution is taking into account the results of the last census. We have agreed with the Bosniak side, and we have also said this to the international community, that all refugees and displaced persons must return to the places they had to flee from. We spoke to the Bosniak side about this at length and agreed that if the refugees, if they cannot return to the parts of Bosnia-Herzegovina under Serbian control, should go to the cantons in which their nation constitutes a majority. However, there will be no forced eviction from any region, nor forced return of refugees.

It Is Not Time for Politicking

[Sabic] Can a process similar to the one taking place in the HDZ of Croatia be expected in the HDZ of Bosnia-Herzegovina? Some HDZ deputies in the Assembly of Bosnia-Herzegovina have allegedly been preparing the founding of a new party?

[Akmadzic] It is understandable that events in Croatia most directly affect the situation in Bosnia-Herzegovina. The Croats in Bosnia-Herzegovina are already organized in several political parties, which is good. It is a known fact that the HDZ is the strongest party among them, that it has practically won all Croat votes in Bosnia-Herzegovina. However, unanimity cannot reign in the HDZ either, which is also good. Differences in views do exist, but the majority of the Croats in Bosnia-Herzegovina, particularly those in the HDZ, want the war to stop and the federal constitution implemented. This is in the interest of us as a nation and not as a party. I do not know whether anyone will decide to form a new party for one reason or the other, but if he does, I do not think that this will affect the HDZ much. No one has ever been ruined because someone else has become strong, but because he has become weak. I think that this is not the time for politicking. This generation of Croats has the task and the opportunity, after 900 years, to create and preserve a Croatian state and Bosnia-Herzegovina, which is also the state of the Croatian people.

[Sabic] How many HDZ deputies are, presently, three and half years after the elections, willing to carry through the party policies? How many votes can you count on with certainty?

[Akmadzic] The Croats have a total of 49 deputies in the Assembly of Bosnia-Herzegovina. Of these, 44 have been elected as HDZ candidates. A great majority of them voted for the federal constitution, which contains fundamental principles of our policy, which means that they support the policy of the HDZ. We also count on this political orientation in the future. There used to be some misunderstandings about the existence of Herzeg-Bosna, allegedly ambiguous attitudes toward the Muslims people, and about relations among the Croats who live in the parts of Bosnia-Herzegovina where they constitute a majority and those in their regions where they are a minority. Some of these problems will be solved with the implementation of the federal constitution. We will find out what people really think only at the next elections. I personally believe that the people will again extend their support to the HDZ.

Silajdzic Demands Akashi Resignation

AU0505142594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 May 94

[Text] We were hoping that this evening we would discuss the continuation of the peace process with the contact group—[word indistinct] that the chetniks would have withdrawn from Gorazde in accordance with the

ultimatum. This was stated today by Bosnia-Herzegovina Prime Minister Haris Silajdzic. Unfortunately the chetniks have not withdrawn. Second, it is (unacceptable) that the United Nations should make arrangements with the aggressor's representatives, and help them transport their tanks from one location to another so that they can go on killing civilians somewhere else. That is why we will demand today that Yasushi Akashi tenders his resignation, Haris Silajdzic added. The decision to demand Akashi's resignation was made today at the session of the Bosnia-Herzegovina Presidency. This demand will be presented to the contact group, which is to arrive in Sarajevo this evening to revive the peace process.

Akashi, NATO, UN Discuss Zone Violations

AU0505171094 Paris AFP in English 1651 GMT 5 May 94

[Excerpts] Sarajevo, May 5 (AFP)—UN officials acknowledged Thursday [5 May] that they let Serb tanks violate the heavy arms exclusion zone around Sarajevo, drawing sharp protests from the Bosnian Government and undermining a new international peace conference. [passage omitted]

Meanwhile Akashi and his principle commanders on the ground met Thursday afternoon with senior NATO officials in Zagreb, according to UNPROFOR sources in the Croatian capital. The officials included Sergio Balanzino, deputy NATO secretary general and U.S. General George Joulwan, commander in chief of Allied forces in Europe. The meeting was held at Akashi's initiative. UNPROFOR generals Bertrand de Lapresle and Sir Michael Rose were also attending.

According to NATO sources in Brussels, the talks were due to discuss recent violations of the NATO ultimatums in Bosnia. They came one day after the UN Security Council warned of the serious consequences of fighting around Brcko. [passage omitted]

UNPROFOR To Stop Serbian Tanks

AU0605111794 Paris AFP in English 1106 GMT 6 May 94

[Text] Sarajevo, May 6—The United Nations Protection Force (UNPROFOR) will stop two Serb tanks from crossing the military exclusion zone around Sarajevo Friday, UNPROFOR announced. The transit of the tanks—the last of a total seven scheduled to cross the zone between 2:00 p.m. and 3:00 p.m. (1200 and 1300 GMT)—had been announced earlier Friday by a UNPROFOR spokesman. But a military UNPROFOR spokesman who refused to be identified said orders were given by the Bosnia UNPROFOR command to block the tanks.

Serbian Council Denounces Karadzic

AU0505191194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 5 May 94

[Text] The latest expulsion of the non-Serb population from Banja Luka and other Krajina municipalities is yet another illustration of the brutality and the insanity of the policy of violence conducted by war criminal Karadzic and his followers. This is contained in a statement issued today by the Serbian Citizens' Council. At their assembly held on 27 March of this year, citizens of Serbian nationality and Serbian ethnic origin again sent a clear message to the international community, explaining that the theory of the impossibility of coexistence in fact conceals the aggressor's aspirations to occupy territory and expel Bosniak Muslims from their homes.

For this reason we demand from all those responsible international subjects that can influence the course of solving the bloody Bosnia-Herzegovina drama to prevent further expulsions of Muslims and Croats from their homes, and to create the conditions for a speedy return of refugees and displaced people. This, in our view, is the precondition for peace in this region, reads the statement by the Serbian Citizens' Council.

UN Observers To Be Deployed at Brcko

LD0505161894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1455 GMT 5 May 94

[Text] Brcko, 5 May (TANJUG)—Seven UNPROFOR [UN Protection Forces] observers will monitor the confrontations at the Brcko front from Saturday, 7 May. They will be joined by another nine UNPROFOR members on Sunday. This is the result of the talks held today between Sergio de Mello, the UN deputy special envoy for civilian affairs and Nikola Koljevic, the vice-president of the Bosnian Serb Republic. The military delegations were led by Dutch Colonel Jup and commander of the [Serbian] East Bosnia Corps Gen Novica Simic.

The observers on the Serb side will be deployed at four points in Brcko and will be able to communicate with their fellow observers who will be deployed on the Muslim side. Our main objective is to prevent confrontations around Brcko and, following the Gorazde crisis, to prevent crises in general, Sergio de Mello told reporters. We want to show that we do not want war and that everything can be resolved through political negotiation, Koljevic said.

The result of the talks today was also that the commander of the [Serbian] East-Bosnia Corps Maj-Gen Novica Simic and the commander of the [Muslim] Second Corps Nazim Sadic will most probably meet soon.

They will try to agree on a cease-fire, to put into practice the agreement reached by Radovan Karadzic and Yasushi Akashi, it was said at the press conference. [passage omitted]

Muslims Fire on UNPROFOR Near Gorazde

LD0505222494 Belgrade TANJUG Domestic Service in Serbo-Croatian 2205 GMT 5 May 94

[Text] Bileca, 5 May (TANJUG)—Muslim forces today opened fire in the Osanica area, about 10 km southwest of Gorazde, on a group of UNPROFOR [UN Protection Force] officers who were on their way to a meeting with representatives of the republic of Srpska army, the command of the Herzegovina Corps announced this evening. Republic of Srpska army representatives were informed about the incident by UNPROFOR officers.

ΩMuslim-Croat Federation Presidential Election

94P20720A

[Editorial Report] While world attention has been focused on developments around the UN-proclaimed safe area of Gorazde, Bosnian Muslim and Bosnian Croat political leaders have been engaged in negotiations to fill leadership positions in their newly established federation. The deadline for electing the federation's government is drawing near: According to the federation's constitution, the Bosnia-Herzegovina Assembly is supposed to reach a decision by 30 April at the latest.

Following three meetings of high-ranking representatives of the Bosnian Muslim and Croat sides, the Presidential Council of the Croat Republic of Herceg-Bosna blamed the Bosnian Muslims for a failure to reach a political agreement on the nationality of the federation's future president, vice president, and prime minister, accusing the Muslims of an "absolute lack of interest and readiness" to discuss these issues, Zagreb Radio reported on 26 April.

Describing a 23 April "working meeting" between Bosnian Croat and Muslim delegations in Sarajevo, the Belgrade news agency TANJUG stated the same day that the two sides had failed to reach an agreement on the future federation president. Citing a Croatian Radio report, TANJUG said that each side had given "legal and political" justifications for its candidate. Although the Croat side wanted a Croat as the first president of the federation, it was prepared to yield to the Muslims on the condition that Haris Silajdzic were nominated instead of the proposed Muslim leader, Alija Izetbegovic. Izetbegovic, president of Bosnia-Herzegovina, was proposed as candidate for federation president by "deputies of the Bosnia-Herzegovina Assembly" and by the regional, executive, and main committees of the Party of Democratic Action [SDA] on 8 April, which cited "moral and political reasons that are clear to all members and supporters of our party," according to Sarajevo Radio on 12 April.

The Croatian Democratic Community [HDZ] of Bosnia-Herzegovina and the Croatian deputies' club in the Assembly have put forward as their presidential candidate Kresimir Zubak, chairman of the Presidency of the Croatian Republic of Herceg-Bosna. In an interview published in the 2-4 April issue of the Zagreb daily VECERNJI LIST, Zubak said that "we have not only a political, but also a constitutional right" to elect a Croat to the post of president because, according to the constitution, the president cannot be elected from the same people twice in succession, and "over the past several years this function has been performed by a member of the Muslim people, namely Alija Izetbegovic."

The Croatian National Council [HNV] of Bosnia-Herzegovina has nominated Dr. Ivo Komsic as its presidential candidate. According to a statement published in the 15 April issue of the Zagreb daily VJESNIK, Dr. Komsic has met every criterion for "election to this most responsible post" and has proven his determination, ability, and readiness "to implement the spirit and the letter of the new constitution" with his "overall work and personal contribution" in preparing the Washington agreement and later the constitution.

An article in the 5 April issue of the Belgrade daily BORBA observes that Bosnian reporters accredited to Zagreb see Kresimir Zubak as Croatian President Tudjman's choice for president of the Bosnia-Herzegovina federation, adding that at the same time "the government in Zagreb does not oppose Haris Silajdzic in some leadership position." The BORBA article also mentions other presidential candidates whose names are circulating in Sarajevo, such as Komsic, Vlado Pandzic, and Stjepan Kljuic, noting that their political views on the future of Bosnia-Herzegovina are supposed to be closer to Croatian Assembly President Stipe Mesic's than to Tudjman's.

A 13 April VJESNIK article points out that, in accordance with the constitution of the Bosnia-Herzegovina Federation, the federation president cannot be chosen by the "simple process" of the Assembly voting on nominated candidates. The governments of Bosnia-Herzegovina and Herceg-Bosna must agree upon a single candidate to be presented to the Assembly. To be elected, the candidate must then get the majority of votes of both the Croat and Bosnian Muslim representatives. The paper predicts that such an election will "obviously" entail difficulties.

Granic, U.S. Envoy Sign Aid Accord

LD0605114494 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 6 May 94

[Excerpt] Mate Granic, deputy prime minister and foreign minister, and U.S. Ambassador to Croatia Peter Galbraith have signed an agreement at the Foreign Ministry between the governments of the Republic of Croatia and the United States on economic, technical, and related aid. Tihomir Vinkovic has this report.

[Vinkovic] Prior to signing the agreement Minister Granic said that this agreement is of major political and economic significance for the Republic of Croatia. This is an all-encompassing agreement and serves as a basis for all other specific agreements, Minister Granic said, adding that this is the cornerstone of future cooperation between the United States and the Republic of Croatia. Minister Granic stressed that such agreements are signed only with countries that have developed friendly relations with the United States and which the United States wishes to help. In any case, following the signing of the Washington agreement and the meeting between Presidents Clinton and Tudjman, this represents the most important instance in the development of friendly relations between the United States and the Republic of Croatia, Minister Granic said.

He expressed his hope that talks on concrete projects will continue and that specific agreements on cooperation between the United States and the Republic of Croatia will be signed over the next couple of months.

Minister Granic thanked the U.S. Government, which reacted swiftly after the signing of the Washington agreement and signed today's agreement.

U.S. Ambassador to Croatia Peter Galbraith expressed his satisfaction with his signing of today's agreement on behalf of the United States. This general agreement provides a framework for extending U.S. aid to the whole world, including Croatia, Galbraith said. He added that bilateral relations between the United States and Croatia will develop on the basis of genuine partnership and consultation. This agreement will place U.S. know-how and experience at the disposal of Croatian public and nongovernmental organizations, Galbraith said. [passage omitted]

Poll Shows Majority Opposes Istrian Autonomy

AU0605113394 Zagreb VECERNJI LIST in Serbo-Croatian 6 May 94 p 4

[B. Slogar report: "Istria Is Sufficiently Autonomous"]

[Text] The subject of VECERNJI LIST's opinion poll this week was Istria and the developments concerning this county. The decision on the suspension of the Statute of the County of Istria was endorsed in our poll by 13.6 percent of respondents, 44.4 were against it, and 42 percent said they did not know enough about it.

The founding of the Council for Istria was supported by 33.1 percent, 36.7 percent is opposed to the setting up of the council, and 30.2 percent said they did not known enough about the subject.

In response to the question as to who is to blame for the conflict between the central authorities and the authorities in the Istrian county, 28 percent said that it was the central authorities, 28.4 percent blamed the authorities in Istria, and 32.9 percent said that both are to be blamed for the conflict.

Regarding the demands for a greater autonomy [samostalnost] of Istria, 30.9 percent of the respondents said the demands were justified, 57.3 percent said they were not, and 11.8 percent said they did not know.

The proposal by the IDS [Istrian Democratic Congress] that Croatia be divided into six to eight counties instead of 21 as at present was supported by 43.8 percent; 29.5 percent did not support this proposal, and 26.7 percent said they did not know.

The poll was carried out by telephone between 2 and 4 May and involves 450 respondents from all Croatian counties. The poll was conducted by M. Supancic, E. Biuk, and D. Mesic.

Crvenkovski Denies 'Vance Plan' for Republic

AU0505172794 Skopje MILS-NEWS in English 5 May 94

[Unattributed report: "Second Phase of Negotiations to Start"]

[Text] Upon his return from New York and Brussels, Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Foreign Minister Stevo Crvenkovski refuted any reports of an alleged "Vance plan" for resolving the Greek-Macedonian dispute. "We have worked together these past few weeks with Cyrus Vance and Matthew Nemitz on a possible solution for the dispute, but no final agreement has been reached thus far," Crvenkovski stated. "We expect the second phase of the negotiations to start in about 10 days or to reach some kind of an agreement in the meantime." He expressed hope Cyrus Vance's efforts would eventually result in reviving of the talks.

In regard to his meetings with various U.S. officials, Crvenkovski said they have shown clear support of the independence and territorial integrity of Macedonia and all that is achieved by this small state in the course of the past two years. He also pointed out the entire media in the United States wrote in favor of Macedonia during his visit, condemning at the same time the Greek embargo and behavior.

He said his meeting with the Western European Union President [WEU] van Ekkelen proved very useful. Besides discussing the situation in the region, they have agreed in principle to establish various kinds of cooperation between the WEU and Macedonia.

Chairman Urges Parliament To Adopt Census Law

AU0505131894 Skopje NOVA MAKEDONIJA in Macedonian 5 May 94 pp 1,3

[Report by K.C.: "The Census—An Act of Great National Interest"]

[Text] Today's 75th session of the People's Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is very important because it will review the proposal on the census, an act of great national interest. Adoption of the census document will help throw light on a number of dilemmas and the confusion that is constantly being spread by various circles, as new instruments endangering the internal stability of our country, with the intention of threatening the Republic of Macedonia. It will silence the stories and presentations about the size of some nationalities in the state. Holding a census is the only way to remove such declarations in a civilized way, and this time it is also supported by the international community.

This, among other things, was what Stojan Andov, chairman of the Assembly, emphasized at yesterday's news conference on the occasion of the draft proposal on the 1994 census on population, households, apartments, and farms, which is to be discussed by the delegates at today's 75th session. Underlining the importance of the census, Andov pointed out that the verification of the law and the holding of the census had the power of the referendum held in Macedonia in 1991. The national interest in the census, the Assembly chairman noted, extended beyond any party interest in scoring points among the public. That is why obstruction of the census would mean keeping "alive and active" all the confusion about the supposed structure of the population.

"It is very important," Andov underlined, "to create a different atmosphere in the Assembly today, an atmosphere that will coincide with the task that the legislature has to do. If the situation in the Assembly is not changed"—by which he meant the interrupted 74th session on the election laws and the tumultuous discussion about the census document at a previous stage—"it will mean there is a lack of awareness about the state's real interest." Chairman Andov also appealed to the parliamentarians to apply themselves and adopt the law so that the census can be carried out soon. At the same time he hinted that the new parliamentary session, scheduled at the government's request, could be a very tiring and difficult one if parliament did not show readiness to carry out its duties.

In that context it was stressed that it was unacceptable for people to use the census issue for such party ploys as were witnessed during the initial discussions on the census, in which everyone tries to prove his love for his own people, nation, or nationality, or how much he strives for Macedonia and its democracy. Parliament should be skilled enough to perform the duties of an executive body in the remaining months of its mandate, as it has done so many times before in appropriately adopting the right acts in conditions in which the atmosphere in the state was extremely tense. He said this was necessary in order to register the moment of maturity as an important milestone in the stability of the state of the Republic of Macedonia tomorrow.

VMRO-DP Calls for Rallies

AU0505180894 Skopje MILS-NEWS in English 5 May 94

[Unattributed report: "VMRO-DP Calls to Demonstrations"]

[Text] In its statement for the public, the VMRO-Democratic Party stresses the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] nation's responsibility to bring a document on census of the population, households, and farms for 1994. The party, however, calls on to the Macedonian people to organize peaceful demonstrations in front of the Macedonian Parliament, in support of the Macedonian parliament deputies' efforts to prevent adopting of the government proposal to conduct the census in [number indistinct]

languages, which would automatically promote the Republic of Macedonian into a multinational state.

Political Parties Concerned Over Police Powers

94BA0250A Skopje NOVA MAKEDONIJA in Macedonian 31 Mar 94 p 4

[Article by Panta Dzambazoski: "Ethnic or Civil Sentences"]

[Text] *There have been a lot of police interventions in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] that have been unnecessarily politicized and turned into scandals; why the police are being accused of "ethnic selectivity" by both Macedonians and Albanians and Serbs....*

Ever since several political parties have been functioning in Macedonian political life, some of the parties have been constantly obsessed with the police. The parties try to interpret in their own way any significant action by the police. The national parties in the Macedonian bloc, especially VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity], are "diligent" in this regard, as well as the Albanians' parties, the PDP [Party for Democratic Prosperity] and the NDP [National Democratic Party]. In the past they have frequently demanded the resignation of the minister of internal affairs. Is it just because Macedonia is in a period of transition, because of the incomplete transformation of the police, or because of the stance of the parties which represent "their people" that we have so many incidents, and scandals, behind us? Or, to put it more simply, are political circles trying to clarify police actions that have already been carried out?

Radolista, the Bit Market, the "All-Albanian Army," then Djordje Petrov, Kuklis, the Veles trial, Blue Bird, Duvlo, and finally, Kuceviste, and so forth, are cases of action by the police that were interpreted differently by the parties, and after which there were demands that the head of the police be held accountable. The issue of exceeding authority was always raised.

When One Has the Same Standard...

When 860 policemen entered the village of Radoliste in 1992, on the basis of previous indications about the possible organization of paramilitary formations, the police were fired upon from several directions and from several houses. Even before this operation, the police had discovered in the same village, in one development in Struga, as well as in Feriste, eight rifles (four automatic rifles and one sniper rifle), 12 pistols, ammunition, 1.6 kilograms of explosives, capsules and slow-burning fuses, 12 gas masks, five pairs of binoculars, and two camouflage uniforms, and 33 people were arrested, three of whom were Albanian citizens. The police thus had grounds for suspicion. The PDP, however, is speaking out in connection with the case, demanding information about the incident, and noting that the increased police presence is unjustified; the entire course of events is being focused on what has already been heard—that the police are conducting operations to intimidate and put pressure on the Albanians, and trying to portray them as terrorists, and in this context, they are allegedly trying to portray the PDP that way as well.

Precisely these words were uttered recently when the police arrested several Albanians who were found to be in illegal possession of weapons. The charges filed refer to article 218 of the Criminal Code—the illegal possession of weapons and explosives. That in itself indicates that the latest arrests do not have any connection (at least not according to the statements made to date) with the arrest of the people accused of Albanian paramilitary organization and of the creation of an All-Albanian Army in Macedonia. The PDP and NDP, however, are insisting precisely on that connection, and they are trying to politicize the trial and portray it as a political one. The Albanian deputies in the Tetovo Assembly are even putting the latest case on the agenda (!), demanding that the people arrested be released! Is this a matter of hasty conclusions, pressure upon the Interior Ministry for more selective actions, or even an attempt to persuade international factors that the Albanians in Macedonia are, allegedly, in danger?

In the past, however, other citizens have also been held accountable under that same article 218, and not just Albanians.

In that same year, 1992, Krum Cuskov and his son Goce Cuskov, as well as Djordji Kalauzarov and Petre Konevski (all from Titov Veles) and Zarko Petrusev and Stojce Delevski from Tetovo, were jailed because of grounds to suspect that they had committed a crime under the same article 218. The defendants from Titov Veles were charged with nine explosions that took place in the city from 1989 to April 1992. The two defendants from Tetovo, along with the Veles group, were planning to blow up the PDP and NDP headquarters in Tetovo. It was precisely in order to prevent that planned bombing that the police stopped pretending that they were "naive," in order to "close the net" around other "bombers" who were possibly involved. (Two more people were later arrested, however.) The court later sentenced them to prison. The "bombers" were members of VMRO-DPMNE, and Kalauzarov was even secretary of the municipal committee. The party disassociated itself from the defendants, while nevertheless not neglecting to say that it was an action at the wrong time and in the wrong place. Then, however, "chief" Nikola Veljanovski from Ohrid was to say that the people involved in the Veles trial were members of VMRO's Defense Committee, which had also issued a death sentence against VMRO-DPMNE leader Ljupco Georgievski.

A few months ago, an individual who had "several weapons" was arrested at the Tetovo bus station. The defendant was a Serb by nationality. That time the PDP and NDP kept quiet.

Should the Police "Boast"?

The police can also "boast" of their actions in the Bit Market, when there was an armed conflict with a large number of Albanian citizens; of their supervision of a number of suspects in the Albanians' rally in the Skopje square, when a map of "the political and territorial autonomy of Albanians in Macedonia" was presented, and when the propaganda material that several citizens, who turned out to be relatives of deputy Mersim Polozani, brought with them to Skopje, was controlled without the use of force.

The police can likewise boast of the better-known actions in Kuklis, when the VMRO-DPMNE went into the field with its prominent representatives, or in Djorce Petrov, when "the people" came out again, and the police utilized repression, a case which was likewise politicized by the Macedonian national parties. Skopje's Montenegro, or more precisely the village of Kuceviste, is a place where there have been incidents with the police several times to date, in which the participants were citizens who were Serbs by nationality. The Democratic Party of Serbs in Macedonia was the political factor which politicized the incidents and spread ideas about the Serbophobia of the Interior Ministry and the police's alleged ethnic selectivity along those lines.

The "Blue Bird" scandal considerably disturbed the public two years ago. VMRO-DPMNE responded that "The SDB [State Security Service] is using the perfidious insinuations of members of the party in order to discredit it and compromise it in the eyes of the public," and that "The members' ethnic identity is being misused." The resignations of state President Kiro Gligorov and Minister Ljubomir Frckovski were demanded, and it was also demanded that the government be held responsible. It actually had to do with a decision by VMRO-DPMNE's External Commission to form an ethnic army (the MNG [Macedonian National Guard] or guard), whose representatives were received at a high level in the Republic of Bulgaria, where assistance in the form of a 10,000-strong army and special forces was promised. VMRO-DPMNE was informed, and the "guardsmen" swore their oaths in a church in Kuklis. The MNG's statute specified action only in the event of foreign aggression against Macedonia. The period of the MNG's creation coincided with the time of the withdrawal by the JNA [Yugoslav People's Army] from Macedonia (15 April 1992) and the establishment of the ARM [Army of the Republic of Macedonia]. Then contacts with the SDB and the ARM took place. There was no criminal prosecution of the "paramilitary troops," since, as Interior Ministry Under Secretary Slobodan Bogoevski stated then, "the guardsmen have resigned, they did not commit a crime, there is no basis for criminal charges," and "The SDB was obligated to accept the contacts that were offered."

Perhaps the unclear and "semi-informative" scandal will go down in the young state's history as a good-faith attempt by a "group of patriots" to fight for its independent, but the case has been profoundly politicized by VMRO-DPMNE. The fact that its closure happened from the moment of the ARM's formation cannot give the incident the same dimensions as the case of the "All-Albanian Army," which is just being clarified. According to the indictment, this has to do with actions that continued even after the JNA's departure from Macedonia, while possible actions during the JNA's presence are, in general, a mitigating circumstance. The statements by local national leaders from Bitola and Ohrid about the alleged "thousands of armed patriots" (paramilitary ones) are nothing more than advertising, at least according to official statements.

What is surely the essential thing, and a disturbing one at the same time, is that the idea that the police are against the people, or against the people "represented by" certain parties, is still being encouraged. If one goes by the reactions of the political parties, it turns out that the Interior Ministry authorities exist only for themselves, but are also against all citizens (depending on ethnic identity) in Macedonia.

Nevertheless, it is that way throughout the world—when public law and order is threatened security measures are taken, when necessary by means of repression as well. The illegal possession of weapons and explosives is punished, and everywhere terrorist actions have the same name and require sanctions. Different views are discussed, and any abuse of power is determined by the competent authorities.

Oversight of Security Institutions Examined

94BA0249A Skopje PULS in Macedonian 1 Apr 94 p 16

[Article by Branko Geroski: "Formula for Useful Implications"]

[Text] *The solutions for the selection and responsibilities of the heads of the new security structures, as the government is proposing them—through a sort of distribution of power—could prevent frequent changes and coups under conditions of political confusion in the cabinet and in the state leadership.*

Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is the third of the former Yugoslav republics to embark upon a fundamental restructuring of the security system. So far it has only been done by Slovenia and Croatia. The announced separation of intelligence and counterintelligence functions into separate and relatively independent structures (the Intelligence Agency and the Directorate for Protection of the Constitutional Order) will create the institutional prerequisites for beginning a process of dispersion of the enormous real power that accumulates at the very top of the ministry. During the period of monism that power was not transparent, since the ministerial (at that time secretarial) armchair was reserved for quiet and obedient "soldiers," loyal to the state and party leadership. Later things changed, and today it is not by chance that it is

thought that the head of the ministry is probably the most influential figure in the country after the three in the state leadership (the state president, the president of parliament, and the prime minister).

How will that power be distributed? The government, in the draft laws on internal affairs and the Intelligence Agency, is offering an interesting formula for the method of selection and dismissal of the directors of the Agency and the Directorate, and especially for the subordination of responsibility of these people and structures. As we know, the minister of internal affairs is selected by the Assembly, and he is answerable to the cabinet and in a specific way (the institution of interpellation) directly to the parliament. The director of the counterintelligence service (the Directorate) will be appointed and dismissed by the government, but at the proposal of the minister. Logically, he will thereby also be responsible to the latter. The author of the law is proposing that the head of the intelligence service (the Agency) be appointed and dismissed by the republic president, but subordination to the cabinet is also envisioned. The Agency will thus be responsible to the government, which will be able to demand accountability from its director. Furthermore, the head of the intelligence service will adopt regulations on the organization and systematization of jobs only with prior consent from the government.

There is no doubt that this formula is consistent with the spirit of the constitutionally (and realistically) established semipresidential system in Macedonia. A similar solution exists in Croatia, for example, where the counterintelligence service is part of the Interior Ministry, but the intelligence under the control of these services in all countries depends on the basic characteristics of the system. In "pure" parliamentary regimes, for instance, the members of the intelligence-security families are under the control of the governments and the corresponding ministries, and it is often the practice that their activities are coordinated by interministerial committees.

So far the solution offered by the government has not aroused any interest whatsoever on the part of parliament and the broader political public. It is symptomatic that only the idea arises somewhere in parliament and that the appointment and dismissal of the Directorate's director are to be under the jurisdiction of the head of state. To say the least, this is a surprising proposal. It would be natural for the deputies to fight to have that authority come either from their chamber or at least from the government that they elect. It might thus be logical that they would challenge a solution according to which the state president appoints and dismisses the director of the Intelligence Agency.

If the efforts of some deputies to establish direct subordination of the heads of these structures to parliament as well (parliamentary oversight is another matter) are perhaps an understandable, if not justified "reflex" on the part of the deputies, then the proposal that the head of state be given greater powers, of course, demonstrates a lack of understanding of the essence of the formula offered. It is not coincidental that the republic president's jurisdiction to appoint such an important figure in the security community is limited by the Agency's clearly defined subordination to the government.

Actually, the mutual limitations are the point of this solution. The formula is constructed in such a way that it complicates any possible attempts at rapid, ill-considered, and frequent changes of the people in leading positions at these services, all in a situation of disagreement or open conflicts within the government (between coalition partners, between the premier and individual ministers, and so forth), in cases of conflict between the government and the republic president, or possibly between the government and the minister of internal affairs.

Thus, for example, the government could hold the director of the Intelligence Agency responsible for a specific situation or occurrence, but that does not mean that the state president is obligated to accept it and dismiss that person. Conversely, if the president decides on such a step without or even against the will of the government, the latter, even if it does not block the selection, can at least hamper the functioning of the president's new protege. Or there is this situation: The minister can hold the director of the Directorate responsible, but the government does not have to decide to dismiss him. Conversely, if the government replaces the head of the counterintelligence service without the minister's consent, the latter can block the selection of a new director by dodging the obligation to propose a new candidate, or by proposing someone who will not suit his fellow cabinet members.

These complications are unnecessary at first glance, and even dangerous, but they are actually extremely useful, since if it were not for these "handles," it could easily happen, in the event of political infighting within the government or in the state leadership and, in general, in confused general political conditions, that confusing changes and coups in the leading positions of these services might also result. In that way the services could be utilized in political quarrels among coalition partners, and even induced to engage in unhealthy mutual competition. In the developed democratic world, such cases of quiet "wars" between a state's security services have been recorded, and they usually end with serious scandals with serious consequences for the state's security as well. It is precisely for that reason that these services need to be protected from major political upheavals. The formula that has been offered will create a situation in which changes in the leaderships of these services will be feasible only in conditions of relative political stability.

Admittedly, certain shortcomings of these solutions can also be noted. In the first place, it can easily be assumed that formal jurisdiction over the intelligence service will probably be ceded by the head of state to one of his special advisers for security issues. That is customary in presidential regimes. With the increase in the head of

state's real power, the power of his adviser (or team of advisers) will also be increased, something that is not exactly in the spirit of the regime, which, however, is basically a parliamentary one. In the second place, in a situation of assumed chronic political instability in the state leadership, there is a risk that the heads of these services may become detached from real control by the government and the republic president, and that new centers of political power may thus be promoted. There are no ideal solutions, however, and one must also rely on the corrective factor of parliamentary and also public oversight.

It remains to be seen how, after the anticipated adoption of the laws, this part of the Interior Ministry's transformation will be carried out in practice. The experiences to date from the division of leading positions in state institutions among the coalition partners suggest the assumption that things will not go smoothly this time either. Whatever happens, that is also part of the entertainment called politics.

Greek Embargo Strangling FYROM Economy

94BA0257A Ljubljana DELO in Slovene 15 Apr 94 p 5

[Article by G.B.: "Strangling Greek Embargo"]

[Text] The spring cucumbers and tomatoes that farmers from the southern Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] village of Bogdanci will gather and bring to market in just a few days will be terribly expensive this year, because of the Greek economic blockade of Macedonia that has already lasted for two months. According to Gjorgi Icev, financial director of the enterprise Izvorski, which with 24 hectares covered with plants is the biggest agricultural exporter in the region, their business is in a tragicomic situation: "We used to obtain the fuel for heating the plants and all the pesticides through Greece, but now it all has to travel here through Bulgaria as well."

The embargo that Greece decided on for extremely questionable political reasons is having destructive consequences for the Macedonian economy. The country was already seriously weakened because of the sanctions against Serbia, which at one time was its most important trading partner, and also because of the harsh requirements of a stabilization program under the supervision of the IMF; now everything is even more difficult. The Macedonians estimate that every month the blockade is costing them approximately $80 million, which includes both lost exports and the higher transportation costs for shipping goods through the Black Sea entrance to Bulgarian Burgas and Albanian Durres.

Only a few Macedonian exporters were as far-sighted as Izvorski, which compensated for the lost "Greek route" in time through a joint company with a certain Austrian commercial enterprises, which will take this year's early vegetables, worth 10 million German marks [DM] to the markets of Eastern and Central Europe by air. On the other hand, heavy industry is literally collapsing; a few days ago the Skopje state steelworks finally closed its doors and dismissed 8,000 workers; something similar is in the outlook quite soon for the other state enterprises, which were dependent upon the railroad link with the northern Greek port of Thessaloniki.

After Macedonia's GNP declined by 15 percent in 1993, it is expected to drop another 8 percent this year. Last year the annual income per capita was $700, and inflation is ranging around 70 percent. In spite of everything, the Skopje government does not intend to give in, since it does not have any guarantee that Greece will not resume the blockade again even after its demands are met. According to some estimates, Macedonia only has oil reserves in its warehouses for another two months, and during that period it will attempt somehow to acquire the necessary funds ($120 million) to build a 65-kilometer-long railroad link with Bulgaria, from which it would obtain crude oil for the Skopje refinery. According to the latest news, oil is already coming into the country by road from Albania, and Macedonia thinks that it could bring 7,500 metric tons of black gold a day from Durres.

Effects of Stabilization on Textile Industry

94BA0207B Skopje NOVA MAKEDONIJA in Macedonian 12 Feb 94 pp 1, 3

[Article by Sonja Kiridzievska: "The Grey Economy Is Destroying Textile Workers"]

[Text] *The mass smuggling of textile products for which turnover taxes are not paid is putting textiles in a regular shop only for display, while they are sold on the streets and sidewalks; 130 enterprises with 47,000 employees are working in the textile industry.*

The textile industry is sewing for "small change." In spite of all the efforts of this labor-intensive economic sector, most of which is export-oriented, to create the conditions for bigger deals, it still remains at the level of working under the Lon system [arrangement in which foreign company supplies materials and possibly equipment and receives part or all of goods produced by local labor], which is promoted by cheap labor. Last year this industry, in which 130 enterprises with 47,000 employees work, had its volume of physical production reduced by 1.33 percent in its base part, and had a 0.6 percent larger decline than Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] industry. Production capacities, up to 30 percent of which were used by spinners, 40 percent by weavers, 60 percent by the knitting industry, and 80 percent by the clothing industry, were not an obstacle to textile workers' achieving exports worth $122 million last year and accounting for 14 percent of the country's total exports.

Loss of the Market

Under the conditions of the application of UN sanctions against the Federal Republic of Yugoslavia [FRY], commercial and transportation blockades, the growth of

costs and high competition from East European countries, exports can hardly be achieved unless other incentive measures are introduced in addition to the realistic exchange rate. The textile industry is operating with obsolete equipment, whose extent of depreciation in the base sector ranges above 80 percent, and above 60 percent in the finished product industry. Because of unresolved ownership relations in the last three years, there have been almost no investments, and thus, if this lag continues, the sector will soon also lose its main market abroad, especially in the European Union [EU]. The blackmail tactics of foreign partners which, knowing about our situation, are offering humiliating prices for Lon-system cooperation, are contributing to this. It is thus happening that Macedonian garment makers are agreeing to sew certain pieces of clothing for only one mark, even though they know that they are being sold for 50 times as much in the market. With the implementation of the Stabilization Program, it can be seen that the textile workers will not be prospering this year. As several directors in this branch of the economy have noted, it is illogical for a country to borrow foreign exchange and repay it with denars. Likewise, they wonder about the logic by which interest rates continue to grow under the conditions of a realistic exchange rate for the German mark [DM]. That is confirmed by the fact that in January the DM rose by only 2.9 percent, but interest rates were between 15 and 16 percent.

After all of this it appears that those faring best in all of the textile industry are garment makers, which is also confirmed by what was exhibited at the Modest 94 fair. The spinners are in the same branch, but there 75 percent of the capacity is standing idle. The reason for this lies in the fact that the Macedonian processors of cotton and wool do not have enough funds to provide themselves with raw materials for a longer period. The foreign suppliers are offering Macedonian spinners cotton at prices up to 30 percent higher than the regular ones. This problem can be solved if the Directorate of Commodity Reserves purchases a larger amount of semi-finished products and provides the spinners with a longer period of peace. In view of the constant illiquidity of the spinners, the illiquid enterprises are dragging along with them those that are in a somewhat better condition, since they cannot pay their debts to them. And since we are already talking about unpaid bills, the Macedonian textile workers, just like the construction workers, cannot get their money from Iraq. With the passage of time, that amount has reached the figure of $19 million, and the state, in spite of all its promises, has not yet collected it.

Textiles on the Streets

Struggling with overemployment, which is estimated to amount to 20 percent of the total number of employees, low wages far behind the average for the economy, by as much as 36 percent, as well as additional withholdings from wages, so that for a net wage of 100 denars the same amount is given in taxes, the textile workers also have to struggle with the gray economy. Mass smuggling of textile products, for which the 25 percent turnover tax is not paid, is the only reason why textiles are displayed in regular shops, but sold on streets and sidewalks. It is not clear to textile workers how textiles could have been left out of the ban on the sale of goods in marketplaces.

In the sea of problems afflicting this sector, one of the urgent ones is technological obsolescence and the high degree of the amortization of equipment, almost 80 percent of which is ready to be written off. Likewise, it is absurd that machines which are not produced here should be exempt from customs duties, while spare parts for the old machines, which are likewise procured through imports, are still subject to customs duties. It is precisely for that reason that textile workers are demanding that they be exempted from these duties, regardless of the cheaper value of the parts, under $1,000. At the same time, it is necessary to reexamine the present mechanisms for incentives for exports, which, in their current versions, are insufficiently stimulating exports in this sphere. Also essential is financial assistance for financing the preparation of production for export and the reexemption of profits achieved through exports. In a situation in which textile workers even have the profits from exports taxed, why should they have any interest in continuing to export? Accordingly, the new institutional measures are assessed by textile workers as solely aimed at ensuring a more comfortable life for the state, without providing a single denar more for incentives for those who are doing a good job. With the curtailment of all privileges for those who are export-oriented, the textile workers think that the branch that they are sitting on is being cut from under them, and also add that the new fiscal policy lacks not only a developmental function but also a social welfare function. The textile workers are demanding compensatory solutions, and also that other permits for imports and exports be valid for one year, and not partial and for shorter periods of time, and that they be issued within the framework of the Chamber [of Commerce] institution. In the area of wages, all the enterprises that have an average wage below than the average for the economy should be allowed to increase them up to that average, while the process of transformation should be accelerated, giving workers an opportunity to participate for free in purchasing some of the enterprise shares.

Customs Chief Discusses Policy, Corruption

94BA0207A Skopje PULS in Macedonian 25 Feb 94 pp 18-19

[Unattributed interview with Dimitar Buzlevski, chief of the Customs Administration; place and date not given: "Porous Borders"]

[Text] *The head of Macedonia's [The Former Yugoslav Republic of Macedonia—FYROM] Customs Administration, Dimitar Buzlevski, talks about the new method of collecting duties, the service's lack of equipment, corruption....*

[PULS] How much money was planned to be supplied for the budget last year on the basis of customs duties, and to what percentage were the projections fulfilled?

[Buzlevski] There were 2.5 billion denars planned, but 90.9 percent of the projections were fulfilled. It is interesting that the percentage achieved was not achieved continuously throughout those months, since during the first six months only 22.2 percent of the planned customs funds were supplied to the budget, which indicated a very low level of the collection of customs duties. That was associated with many problems in customs procedures which directly led to that low percentage collected. As a result of certain measures that we subsequently implemented, for the period ending in December customs duties constitute the highest percentage in fulfillment of the planned budget funds.

One of the measures that we undertook is to prevent manipulations with respect to imports of consumer goods. Importers exercised the right of customs supervision of those goods, as well as the right to customs storage within their business premises, and those goods were very frequently lost and put on sale; the state thus, in a way, provided the enterprises with advance financing of part of their unpaid customs duties, and according to some information, the unpaid sales tax as well. It is precisely for that reason that through a decree sometime in May 1993 we prohibited putting consumer goods under supervision. We thereby achieved two results: preventing the uncontrolled placement of those goods in the markets, and at the same time gaining the opportunity to collect customs duties on time. Likewise, an important element in improving the collection of customs duties is placing the collection immediately in the customs line, by requesting through the appropriate shipping office an instrument for ensuring collection, either acceptance or certified checks.

There is also one other element that we analyzed in detail for improving the collection of customs duties: determining the true value of imported goods. The fact is that the importers used two types of invoices: an invoice that they received from the foreign partner and that cited the real price that they paid, and another invoice with a reduced value, i.e., with a reduced base for the payment of customs duties. The Customs Administration adopted a decision that wherever there are suspicions about the validity of the value given in the invoice, it is to be verified.

[PULS] How many consumer goods were imported last year without paying customs duties?

[Buzlevski] Somewhere around $600 million.

[PULS] With all the exemptions from paying customs duties, what level is the general rate?

[Buzlevski] The average duty on imports in 1993 was 6 percent. With this percentage, we are the most liberal country in Europe.

[PULS] How consistent is our tariff liberalization with tariff trends in the world? The GATT negotiations, for example?

[Buzlevski] In general, the tariff duty in the United States and in the developed West European countries is not much over the percentage that was noted here last year. Nevertheless, the imported goods subsequently fall under the regime of tax policy. In this case there has to be mutual coordination. Let us take cigarette smuggling as an example. Our analysis shows that the prices of cigarettes in the duty-free shops are more or less identical with black market prices. This alone suggests that a large part of those cigarettes come from the duty-free shops. That is why we are currently preparing a decision on the regime for the sale and importation of cigarettes, whiskey, and other sought-after products from the duty-free shops. Not to prejudice matters, I would also like to state just that the purchase of one carton of cigarettes and one bottle of whiskey will be permitted, and then only for someone who is leaving Macedonia.

[PULS] All of these deviant phenomena and smuggling activities suggest the question of whether the Customs Administration is equipped to counter those phenomena.

[Buzlevski] We are not equipped as a service. We have a model for development of the Customs Administration that was verified by top customs experts in the United States and Canada, but we will only be able to speak of successful customs when we have started to implement that model. So many things are happening to us because we are not equipped to discover them. For example, our law allows the tariff payer himself to decide which customs branch office the duties will be levied at. The data indicate that the Skopje customs house accounts for about 62 percent—a figure which itself is very large, and represents a difficulty in conducting a detailed inspection of every truck that has entered. Otherwise, all the trucks should be inspected in detail and the contents of the goods should be verified. In developed customs administrations that is simply done with the most modern devices: for measuring the density of the freight contents, for measuring the length of a vehicle... Likewise, we should equip customs in regard to automated data processing. During the course of this year we expect to develop that computer network and we are on the way to obtaining a finished program.

[PULS] After the collapse in transportation that occurred with the blockade of the Federal Republic of Yugoslavia [FRY], Europe announced a much more liberal procedure for avoiding customs jams. How much does that increase the danger of all sorts of smuggling—of weapons, for instance?

[Buzlevski] We are participating actively in that program, which was conceived at the European Union [EU] level. The idea of that project is a customs corridor that would make it possible for the customs procedure to take place rapidly. In certain cases, perhaps, it would become

possible for goods to be transported to their destinations where they are sent by convoy. In mid-March, top experts from the European Customs Union will visit Macedonia to implement the project. I can say that the European Customs Union's analyses for approving financial assistance for modernizing two border crossings are in the final phase. These are the Cafasan and Deve Bair border crossings, a corridor planned for communications with Europe. North Rhine-Westphalia will provide about 1.1 million German marks [DM] and the United States will provide $1.1 million to equip the Deve Bair border crossing, while they will likewise provide $1.1 million for Cafasan.

[PULS] A lot is said about the corruption of the customs service.

[Buzlevski] So far the Service has fired 15 individuals for whom there was substantiated proof that they had committed serious customs violations. It is a well-known problem with oil in Gevgelija and the channel going to Tetovo and Kumanovo, and a well-known problem with imports of silk from Turkey and China. The blunder of the customs officers was that they participated in ensuring the legality of transactions by which the entry of the goods was recorded by one customs branch office, but the importer, dissatisfied with the established tariff base, announced that he would return the goods to the original destination, and the customs employee attached a seal to the form that the goods had left Macedonia, while they remained here de facto. We had the latest case at the Skopje airport a few days ago, with imported satellite antennas.

[PULS] It has been heard at the Customs Administration that a list has been prepared of officials who have opened shipping offices either in their own names or in the names of close relatives. What about them?

[Buzlevski] It is a very unfavorable element that a certain number of customs officials, even though those individuals are in higher-level positions in the customs hierarchy, have commercial firms, especially in the area of shipping, which are registered in the names of members of their close family. We have prepared the list, and the legal procedure for resolving this problem is being analyzed now. Two solutions are possible: either closing the shipping offices or leaving the job.

[PULS] How true is it that last year the Ministry of Internal Affairs bought automobiles from one of our distributors—we will not mention his name and give him an advertisement—in the value of DM 1.2 million. We are asking you the question, since such activity cannot take place without being observed by the customs authorities.

[Buzlevski] The Ministry of Internal Affairs is a body that has to be well-equipped, and we should not view that negatively. The fleet that it has purchased is intended for performance of its established duties.

[PULS] The fleet can also be equipped with confiscated vehicles. How many vehicles were confiscated last year, and how many were released for auction through AMSM [Automobile and Motorcycle Federation of Macedonia]?

[Buzlevski] Approximately 250-300 vehicles are confiscated each year. Last year there was only one auction, in Bitola, and about 15-20 vehicles were auctioned off. This year, however, with the resolution of the dispute over where the second-level procedure will take place (it has been determined that it will be at the Customs Administration), things will take place more quickly.

[PULS] Did the number of vehicles confiscated increase last year?

[Buzlevski] It increased considerably, since a large number of individuals sought to take advantage of various benefits, especially for imports from Albania. The vehicles were registered in the names of firms there, but were driven by citizens of the Republic of Macedonia, and that is a customs violation.

[PULS] Since as a state and a people we are inclined toward actions that skirt the edge of the law, we would like to ask you whether there have been any pressures on you at all from powerful commercial firms or from individuals of high political rank to look aside in specific cases.

[Buzlevski] I have been at the Customs Administration for nine months, and I can freely state that the service, and I personally, have been released from all forms of political pressures. In practice, it is impossible for such pressures to be applied in the Customs Administration. We have established such a working regime in customs procedures that the customs employee's autonomy is guaranteed, although a commission may feel that his work is over.

[PULS] Nevertheless, the general belief is that in any businessman's contact with certain individuals in your hierarchy, things can be made easier with a fat bribe. Is that possible?

[Buzlevski] It is most likely possible. Nevertheless, in the event that it were discovered it would be punished, starting with me and including the last employee in the Customs Service.

Drnovsek, Gaspari Comment on State Budget

AU0505123294 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 4 May 94

[Excerpt] The State Chamber today finally begun discussing the budget documents for this year. As is known, the state treasury involves 406 billion tolars, and the budget deficit may reach somewhat less than 12 billion tolars. Before the deputies commenced the debate on the proposed amendments to the Law on Implementing the Budget and to the numerous individual items of the budget—there are more than 170 of those—deputies heard introductory speeches by Prime Minister Janez Drnovsek, Finance Minister Mitja Gaspari, Dr. France Arhar, governor of the Bank of Slovenia, and representatives of the Pension Institute and Health Institute. Here is a report by Suzana Kos:

[Begin recording] [Kos] After six years of recession, last year our state embarked upon economic growth for the first time. In the first quarter, industrial production was as much as 3.4 percent higher than in the same period last year. This is what Prime Minister Drnovsek pointed out in his introductory speech. Improvement is seen in building, traffic, tourism, and agriculture. The number of unemployed reduced by more than 6 percent until March, while the number of employed has increased. Last year's inflation was the lowest since 1979 and, according to Dr. Drnovsek, it is not going to increase in the future either. After lengthy negotiations, the agreement on the policy of wages in this year and the section on wages of the collective agreements were signed last year, and all partners have agreed to a fixed increase of nominal wages below the rate of inflation. Prime Minister Drnovsek spoke about the outcome of the negotiations, the signed document, and for the first time announced the corresponding legal document.

[Drnovsek] With this agreement, the government also received the approval of other negotiating partners, the trade unions, and representatives of employers to establish by law the realization of such an agreement keeping in mind the poor experience with realizing collective agreements last year. In our opinion, a significant (?breakthrough) will be reached in managing this perhaps most necessary sphere of macroeconomic policy. Realistic possibilities have been established for [word indistinct] most unfavorable currents by the end of 1994 and for the establishment of such macroeconomic conditions that would enable further production growth and reduction of unemployment.

[Kos] Both the prime minister and Finance Minister Mitja Gaspari pointed out that the budget deficit must not exceed 1 percent of gross domestic product and that the government would insist on that. Gaspari devoted his speech above all to presenting basic aims and important points in the budget documents for this year which will be discussed by the State Council now.

[Gaspari] The estimate of the sources of revenue is established on the basis of the current prices, provided the planned price increase that I mentioned regarding the previous (?implementation) is respected, so it is necessary to rearrange the existing funds and not revenue from taxation in the possible budget adjustments, unless the parliament decides for an increase of budget deficit. I hope that it will not endorse such a decision or proposal.

[Kos] Dr. France Arhar, governor of the Bank of Slovenia, pointed out that the policy and aims that the central bank will try to reach to a great extent depend on the decisions the deputies will make when deciding about the budget and on the level of the deficit they will endorse. The governor also said that as we have gotten rid of hyperinflation, we shall now work on abolishing the big state treasury [as heard].

[Arhar] And already this month, it plans to appear on the market without this well-known iron formula, but with a new instrument, a new monetary instrument and with a view to starting a new practice and a new philosophy in this sphere. Therefore, it will come up with a cost of money and creating this cost, and with such parameters that are realistically suitable to our competitors, the states with which Slovenia has the highest trade. [passage omitted] [end recording]

Kosovo

UK's Hogg on Opposition to Changing Borders

AU0505205294 Tirana TVSH Television Network in Albanian 1800 GMT 5 May 94

[Text] [Announcer] British Secretary of State [title as heard] Douglas Hogg has met with the president of the republic of Kosova, Dr. Ibrahim Rugova, in Prishtina. We remind you that Mr. Hogg is visiting Kosova as part of his tour to several areas of former Yugoslavia. We go over to Skender Durmishi's report from Prishtina:

[Durmishi] The start of a dialogue on Kosova is necessary and the first step to precede all measures and other actions toward solving the Kosova question, as one of the most important points of the crisis in the former Yugoslav area. We should keep looking for concrete forms and solutions—this was the main message with which British Secretary of State Douglas Hogg arrived in Prishtina today. At today's talks, Hogg put forward this message to both sides.

During the meeting with Kosova's president Rugova, the high-ranking British guest considered the visit as a gesture of good will and expressed his views on possible solutions to the Kosova problem.

On this occasion, Rugova pointed out that the commitment of Kosova Albanians to a peaceful solution is a clear testimony of our readiness for dialogue through the mediation of a third party. Mr. Rugova said that on the basis of referendum results, we have our option for an independent and neutral Kosova, with which we can enter the process of dialogue with no prejudice.

Considering today's meeting to be very important and after briefing the high-ranking guest about the grave situation in Kosova, president Rugova demanded more active commitment from the international community to a fair solution of Kosova's problems. In this respect, we hope that Great Britain, as an expert on the problems of Kosova and Albanians, will grant fresh assistance, Mr. Rugova said.

As part of his visit to Kosova, Foreign Office Minister Douglas Hogg met today with representatives of the Serbian side, a meeting that was held behind closed doors.

In two brief news conferences held after these meetings, recalling that he has not brought along any definitive project but is expressing his own opinions on possible solutions, Mr. Hogg told reporters that the Kosovar problem should be solved within the framework of Yugoslavia, because there can be no changes to borders. The fact that 90 percent of the Kosovar population are Albanians cannot be ignored and this requires that economic, political, and the maximal cultural autonomy be granted to the Albanians of Kosova.

Conditions should be created for the Albanians to exert full control over topics of interest, such as the economy, education, communications, and their security, as well as having complete political and social freedoms. Mr. Hogg also pointed out the high level of disagreements and options between the Albanian and Serbian sides, which, he said, with the mediation of the international community, could be brought closer by means of an equal dialogue, because if both sides are not equal, this cannot be called a dialogue.

Hogg stressed that the pressure on Serbia for the immediate return of the CSCE monitors to Kosova is another step for the international community, and should follow immediately.

In the evening, Hogg held talks with several leaders of political parties and intellectuals in Kosova.